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The Week

WHILE the Republicans charge the Democrats with dodging issues—as they are doing—it may be well to remember that Mr. Hoover himself is dodging some of the most important ones. He does and says nothing, for instance, on the subject of the war debts, although in Europe it is perfectly well understood that this matter must be taken up, once the campaign is out of the way. The more important nations are supposed to be ready to make the payments due on December 15, but they certainly will raise the question of further payments thereafter. They are refraining from doing so before November 8, on the theory, probably inspired by Washington, that during the campaign both candidates would, if they were forced to speak, make commitments against revision that would be embarrassing in the future. Another transparent dodge made by Mr. Hoover is that on the subject of railroad wages. The present agreement expires on February 1; the railroad managements were actively moving for further reductions; Mr. Hoover persuaded them to desist until after the election. Can anyone doubt what will be the final result, once he is safely elected or defeated? Railroad-union officials will, in our opinion, have cause to regret that they did not insist on a public declaration of Mr. Hoover's position while he was still a candidate.

PRESIDENT Hoover is trying to earn votes in sixteen industries by instructing the Tariff Commission to investigate the adequacy of the protective duties on their products, now that the exchange value of foreign currencies has fallen sufficiently to give foreign manufacturers of the products in question an advantage in American markets which they did not have when the present rates were set. This is, of course, a perfectly logical and justifiable measure if one assumes the soundness of the protective theory. It is also another step in the direction which, now taken by nearly all countries, serves merely to deepen the depression. This act, combined with Mr. Hoover's emphasis on protection in all his recent campaign speeches, is an illuminating reminder that this man, of whom so much was once expected in the way of economic enlightenment, is behaving in the stress of the campaign exactly as Republican hack politicians have behaved for the past two generations. He is trying to win last-minute votes by the most discredited of quack medicines and, in spite of the greatly changed situation and the terrific ills of the period, pays even less attention to enlightened expert opinion than certain Republican presidential candidates of the past, such as William McKinley.

IT HAS remained for Mr. Fabian Franklin, a well known New York political writer, to give Mr. Hoover the unkindest cut of all. Mr. Franklin has been studying the straw vote of The Literary Digest, which last week, with more than two and a half million ballots counted, gave Mr. Hoover only seven of the forty-eight states—the New England group and New Jersey. Mr. Franklin, however, has been analyzing the drift of the voters from one party to another, reducing these to percentages and taking them afresh from each week's figures to make sure that they do not vary. The variation is negligible, a fact which is a hard blow at Mr. Mark Sullivan's theory that a groundswell

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toward Hoover is now under way. The Literary Digest closes its forms only one week before it appears, and there is no reason to suppose that its ballots are put into cold storage long enough to make them out of date, as suggested by Republican politicians quoted by our Washington correspondent. Mr. Franklin, in The New York Times, works out the percentage of shift since 1928 in every state, applies this percentage to the 1928 vote, and finds Mr. Roosevelt carrying every state except three—Maine, Vermont and Delaware! His figures show New Hampshire going Democratic by 10,000, Massachusetts by 203,000, Connecticut by 45,000, Rhode Island by 51,000, New Jersey by 153,000. Ohio goes Democratic by 440,000, New York by 993,000, Indiana by 257,000, Illinois by 925,000, Iowa by 267,000 and Kansas by 49,000. If such an overwhelming defeat for Mr. Hoover seems unbelievable, Mr. Franklin reminds his readers that these are extraordinary times, and also that in the past The Literary Digest's poll has always erred by being too favorable to the Republicans. Certainly, anyone who challenges Mr. Franklin's figures ought to bring forward definite reasons for doing so.

CHARGES of an extremely serious character were circulated last week in regard to Mr. Doak, whom someone has nicknamed "the Secretary against Labor." Mr. Doak is charged with having offered a federal judgeship to Donald Richberg, well known Chicago progressive lawyer, if Mr. Richberg would abandon his favorable attitude toward the Norris anti-injunction bill, at that time pending. Secretary Doak has replied to this charge with angry abuse of Mr. Richberg and of Senator Norris, who, in the course of a campaign speech for Governor Roosevelt, was the first to give the allegation publicity. But such abuse would of course be expected whether the Secretary of Labor is innocent or guilty, and the matter ought not to be allowed to be passed over as merely a disagreeable incident of a campaign which has been replete with charges and counter-charges. It ought to be the subject of attention at the next session of Congress. If the charge is true, Mr. Doak is unfit to be a member of the President's Cabinet. We cannot believe it to be false, since it rests on an explicit statement by Mr. Richberg, whom we have known for many years as an able, public-spirited and responsible attorney, who can be depended upon for an accurate memory and meticulous honesty. As between the two, we should accept his word against Mr. Doak's one thousand times out of every thousand.

BRITISH unemployment-insurance payments are at present given to any unemployed person for a maximum of twenty-six weeks in any year. If at the end of that time he still needs assistance, it comes, not from the insurance fund, but out of the national exchequer. Formerly, such payments were called "transitional benefits" and paid automatically; but now the applicant for further aid goes to the Poor Law authorities, his case is investigated, and he is paid only as much as these authorities judge to be necessary. Whereas the insurance payments are about $3.75 a week (at normal exchange) for the workless individual, plus about $2 a week for each dependent adult and fifty cents for each child, the Poor Law payments vary greatly, according to the local sentiment in each community. Legally, they cannot be larger than the insurance payments; but they can be, and sometimes are, very much smaller, and this causes great resentment among the British unemployed, who now number about 3,000,000. But there are also other causes of friction. Some time ago the national government cut the insurance payments by 10 percent, on the plea that the cost of living had fallen still farther. The government, through the "Anomalies Act," took away the payments of many thousands of persons who for one reason or another were alleged to be receiving them improperly.

IT IS the "means test," the investigation by Poor Law authorities at the end of twenty-six weeks and the subsequent variations in payment, which have mainly been responsible for the recent riots in numerous British cities, and for this week's hunger march on London. Much of the agitation has undoubtedly been the work of the Communists, whose familiar proposals may be seen in the demands for a hundred pounds of coal a week, a pint of Grade A milk for each child, free shoes for the unemployed on demand, and a 25-percent reduction in rent. It is obvious, however, that the grievances felt go much wider and deeper than Communist agitation; and the government has already tacitly acknowledged this by promising some reforms in the administration of the test. Whether these reforms will go far enough to allay the present unrest remains to be seen.

IN ITS monthly report on relief throughout the country the United States Department of Labor announces that during the month of August there was an increase of 8 percent over the amount expended for general relief during July. The August figure, based on reports received from 960 agencies in 125 cities, amounts to more than twenty-two million dollars and is double that spent by the same agencies during the same month last year. According to the report, the increase in August brought the cost of general relief back to approximately the same level it was in April, May and June and shows a trend which is rising at an alarming rate. The peak for the last three years was reached last February, but if the present trend continues, and there is little reason to believe that it will not, this peak will not only be equaled but surpassed before the present year comes to its disastrous end. Meanwhile, for all the assurances

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that times are better, that employment is picking up, that happy days are here again, the larger cities report a constant increase of poverty and starvation, a fact which is hardly brightened by the news that many of these cities are on the verge of insolvency.

STANLEY S. HACKENHAUSER, president of the National Consolidated Widget Corporation, has just issued a message to those who have worked for his company concerning their votes in the election. "I realize," he said, "that as American citizens with the right of a presumably secret ballot, there is no reason why you should accept any dictation from me as to how you should vote. It is true that in the last election I did exercise some unfair influence over you by threatening your jobs, since you still had jobs. This time, however, whatever I say can have only the effect which naturally derives from the degree of respect which you may have for my opinions and my ability. This being the case, you are likely to apply my advice in reverse. I therefore urge you strongly not to vote for Mr. Hoover, and want you to bear in mind that the Democrats have substantially the same policies as the Republicans. I shouldn't strongly object if you voted for Norman Thomas. I have made up my own mind to vote for William Z. Foster, a safe and sane candidate pledged to the maintenance of our glorious American prosperity and of the economic system which has served us all so well."

S. W. Straus and Company, the huge New York investment house whose past policies have been the subject of so much comment, was recently thrown into receivership by the New York supreme court, which found that it had been guilty of fraud, within the meaning of the law, by selling "general mortgage" bonds to persons who believed them to be first-mortgage bonds. Last week, this receivership was abolished by the Appellate Division, on condition that S. W. Straus and Company consent to immediate trial of a suit against the house which is now pending. It was also provided as a condition that S. W. Straus and Company should dispose of none of its assets without application to the court, except those "necessary for expenses in the ordinary course of business." Sales by the company are now to be permitted except in so far as they involve "making false representations and pretenses." The receivership was vacated despite the unanimous opinion by the members of the court that practices of the firm were "fraudulent, in violation of law and operated as a fraud upon the purchasers of many of these bonds, within the Martin Act." One of the members of the court, Justice William F. Hagarty, dissented from the ruling which put an end to the receivership. "From high standards and high ideals," he says, "the defendants have fallen and in recent years have engaged in practices, the proof of which cannot be contradicted upon the trial." Justice Hagarty therefore believes that the injunction and receivership should have been kept in force until after the trial on the charge of fraud has taken place. This seems plain common sense, and we should very much like to know on what grounds of wise public policy the majority of the court sustains its action.

SEVERAL interesting and important inventions have been developed recently in the publishing trade, notably the teletypesetter, which can set type automatically and simultaneously in any number of cities when a master keyboard is operated at one central spot, and a device which sets type direct from copy without the intervention of a compositor. Now comes a machine which makes photo-engravings by a revolutionary new process and with results which, if the first few months' experience is verified by longer trials, will have far-reaching consequences. The device, the invention of Mr. Walter Howey of International News Photos, utilizes the "electric eye," or the photo-electric cell, and operates an engraver's tool by "scanning" the picture to be reproduced. According to the inventor, who recently exhibited the machine to a group of New York experts in the publishing field, it will make an ordinary newspaper one-column cut in four or five minutes, at a cost of less than one cent a square inch. Three-color plates are produced in half an hour instead of thirty-six hours, and with a corresponding saving. Like the teletypesetter, it operates at any distance, and there seems no reason why a picture in New York City should not be reproduced over telephone or telegraph wires in ten minutes in every newspaper office in America. Such a process would of course apply to printed text as well as illustrations. The New York Times could put its own pages into the machine and make printing plates in New Orleans or San Francisco for a "regional edition" if it so desired. The device may prove another powerful factor pushing farther the standardization of the American press. It also illustrates vividly the problem of technological unemployment, since it threatens virtually to destroy the present engraving industry in toto.

IN ITS issue of August 31, The New Republic published a mildly humorous editorial calling attention to the loss of advertising in The Saturday Evening Post. In the heat and hurry of the day, the editorial writer made a serious mistake. Instead of comparing the figures of advertising lineage for June, 1929, with those of June, 1932, as he intended, he copied off a figure in an adjacent column which gave the total lines for all four years, 1929 to 1932. This exaggerated the drop, which was really from 386,983 for five issues in June, 1929, to 129,505 for four issues in June, 1932. The mistake did not invalidate the point of the comment, since the falling off has been, in fact, marked and easily noticeable. Printers' Ink, a trade publication

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from which these figures were taken, took the occasion to correct the figures and to hint that perhaps this was merely a sample of The New Republic's supposed exaggeration of the plight of capitalism. We assure our readers that the paragraph in question was not a fair sample of our regard for accuracy, but that, on the contrary, this new comment represents our invariable practice in correcting errors of fact for which the editors are responsible.

Major Surgery for the Depression

THE MOST important immediate measure suggested by any of the presidential candidates, and the only one which, in our opinion, comes anywhere near aiming at the heart of the present economic difficulty of the world, is the proposal made by Norman Thomas in his Columbus, Ohio, speech, for a capital levy. This measure, advocated in Europe by numerous responsible economists ever since the War, is now particularly applicable to the United States. Without something as drastic in its effect as this, we are likely to limp along near the bottom of the depression for a long time to come.

Any thorough analysis of the present situation must lead to the conclusion that a tremendous obstacle to every plan for revival is the great burden of debt, governmental and private. International exchange of goods and credit has been hampered by reparations and war debts, and is likely to be still more hampered by the private obligations of Germany and other debtor nations.

Within this country we have a problem of governmental finance which so far has been insoluble, and is likely to continue insoluble so long as depression continues. We must sooner or later balance public budgets. The prevailing theory at present is that we can and must do so by cutting expenses rather than by increasing taxes. But progress in this direction is bound to be small, for the reason that by far the greatest percentage of expenditures in nearly all budgets consists of the debt service. While some current outlays may be spared without harm, such items are difficult to find in sufficient numbers. And a sure outcome of the agitation is that hordes of reactionary interests will descend on our capitals with demands for crippling essential public services which, in their opinion, interfere with their chance to make profits. This is the line that Hoover and the Republicans may be expected to take if they win the election.

Serious as would be Mr. Hoover's financial problem, it is as nothing compared with Mr. Roosevelt's. He is just as firm for budget-balancing as his rival, and he would certainly be subject to equal pressure against higher taxes. At the same time, however, he hands out many promises about governmental activities to help the sufferers from depression, nearly all of which would cost money. How in the world does he expect to pay for them? He has not told us. We venture the prediction that those liberals or progressives who vote for Mr. Roosevelt under the impression that his fine words mean something, will find at least 80 percent of his projects falling by the wayside because of sheer pressure of financial arithmetic. You simply cannot, in a depression, at the same time balance the budget, refrain from borrowing, and carry through extensive welfare measures.

Another aspect of the crushing debt burden which is felt bitterly by mortgaged farmers, home owners, railroads and other debtors who have given long-time obligations is the lopsided character of the severe price deflation which we have suffered. Commodity prices started the plunge; wages, salaries and other incomes derived from current services quickly followed. But the earnings of borrowed capital are protected to the last gasp. Neither principal nor interest is reduced except *in extremis*, and after every cent has been squeezed from the bankrupt borrower. It is a long and painful process to deflate capital and get interest rates down to a point such that there is anything like a balance between the incomes of creditors and those of debtors.

What can be done about it?' "Reflation" to increase prices has often been recommended, and has in part been tried in the United States, through central banking policy. It works slowly, if at all, and the outcome is extremely uncertain. The chances are that any measure drastic enough to produce the desired result would be uncontrollable and would lead in the end to unwholesome inflation. After another six months it may quite possibly have to be admitted that a liberal credit policy on the part of the Federal Reserve Banks cannot bring about real revival and that only greatly enlarged governmental expenditures financed either by borrowing or by the printing press can really influence employment and prices sufficiently. There you have the choice between creating public debt in even larger quantities and starting a dangerous train of currency inflation.

For difficulties such as these, the capital levy is a theoretically ideal remedy. You levy once, upon all individuals having wealth in excess of a certain minimum, a progressive tax reckoned on the basis of their wealth. The tax may be paid in government bonds or approved securities; instalment payments would be permitted in necessitous cases. Norman Thomas quotes figures indicating that a tax ranging from 5 percent to 59 percent, according to the size of the fortune, and with complete exemption for estates of $25,000 or below, would yield in the United States between $45,000,000,000 and $57,000,000,000. With the proceeds, it would be possible not only to extinguish the whole national debt and thus cancel at once 29 percent of the budgeted expenditures, but to do many other things

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as well. Relief could be extended to state and local governments, to mortgaged farms and homes. The more important debt burdens could quickly be reduced to a negotiable basis. This would be a surgical operation to remove the lingering tumor of an overgrown tribute to capital charges.

Anyone who merely wanted to get capitalism on its feet again quickly could, if he were bold and discerning enough, hardly suggest a more effective measure. It would be not only effective, but just. The deflation of commodity prices and other incomes has made a wholly unearned and unanticipated present of real income to the owners of capital bearing a fixed return. Most of them lent in dollars having a purchasing power fixed at the higher prices of 1917 to 1929, and are being repaid in the immensely more valuable depression dollars. And a capital levy would bear most heavily on the owners of the instruments having these fixed values, since other types of wealth have suffered to a far greater extent with the fall in prices.

Of course those who are interested in setting capitalism on its feet again have neither the courage nor the social discipline necessary to favor and carry through a measure of this kind. Norman Thomas himself does not advocate it for this purpose, but merely as a step which would make it possible for the government to acquire by purchase the basic industries necessary to a plan of socialization. One can conceive of capitalism going on through the business cycle, and periodically rescuing itself from the boom-created burden of inflated debt by a succession of capital levies. But that would be an absurd program. Any nation intelligent enough to submit to a capital levy would be intelligent enough to embrace a socially planned economy and to prevent the lack of balance between debt and popular income which makes a capital levy desirable.

The practical difficulties of imposing a capital levy on a capitalistically inclined nation are such that it has never yet been, and probably never will be, resorted to as long as people have any hope of accumulating or preserving private wealth. It would probably be more easy to assess fortunes at their true value than it is to get at individual incomes, by using the methods now employed in levying estate taxes. But the immediate result would undoubtedly be a tremendous shrinkage of the values of capital, due to throwing on the open market huge quantities of bonds in the search for less readily taxable forms of wealth. This might not impose an insuperable difficulty to the ultimate aims Mr. Thomas has in mind, though it would undoubtedly create a financial panic and temporarily cause all sorts of economic disturbances. More serious still would be the flight of capital abroad which would be stimulated by the imposition of a capital levy in one nation alone. This would not have such large dimensions as in a period of relative prosperity when it is easier to find good foreign investments; nevertheless it would upset the stock markets and the foreign exchanges and would temporarily cause a huge outflow of gold, thus endangering the currency and restricting the credit of the nation in question.

This surgical operation would of course require many kinds of anesthetics and stringent controls, such as closing the speculative markets, an embargo on gold, management of foreign exchange and perhaps a banking moratorium. Measures like this have in fact been adopted perforce by European nations to meet the financial crisis, but they are not likely to be sanctioned in behalf of so intelligent and positive a policy as a capital levy.

Under the circumstances, then, Mr. Thomas's proposal is valuable for its illumination of the fundamental character of the problem rather than as a practical measure which could be taken over by more conservative statesmen. Capitalism, which might be rescued by a capital levy, will not thus rescue itself.

Stealing from the Unemployed

MANY MILLIONS of dollars must be spent this winter, as President Hoover, Mr. Baker and their associates have just reminded us, to prevent starvation among the unemployed. To read their speeches, one would suppose that this entire sum came from private charity, though this is of course not the fact. From two-thirds to three-fourths of the money comes out of municipal, state and (now at last) federal funds. We have a dole in America; the only difference between ours and those abroad is that ours is administered clumsily, wastefully, inequitably and according to the whims of local officials. It is also administered, in some cases, to the accompaniment of a great deal of graft.

One would think that stealing from the unemployed would come under the head of meanest crimes, like purloining the shirt studs from a funeral suit, kidnaping a bridegroom or burning down an orphanage for the insurance, yet there is every reason to believe that it is being done, on a very large scale and in many places throughout the United States. We may take New York City as an illustration, not because it is unique, but because the facts regarding conditions there are readily available.

Every newspaper reader remembers that a year or so ago, gross political discrimination was discovered in the administration of relief on Staten Island, which is part of New York City. If you were a Democrat, you got aid; if you were a Republican, you might go and starve, so far as the administrators were concerned. A few officials were disciplined as a result of these disclosures, but no one is naïve enough to suppose that the discrimination ended. Long after this, in other parts of the city, it was revealed that weekly aid was being given to many people of political influence

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even though they had ample incomes of their own —in several cases, $100 a week or more. These facts are common knowledge among the citizenry of New York, and arouse neither surprise nor indignation when they are made public. For instance, not long ago in a grocery store a stone's throw from Columbia University, where a number of people were waiting to be served, a man rudely shoved his way through the crowd, insisted on immediate attention, bought lavishly, paid in New York City food tickets, and departed. The grocer explained that he was a well known politician, the crowd seemed quite satisfied with his explanation, and business went on.

Another obnoxious form of graft has grown up in connection with these food tickets, which are cashable at grocery stores and subsequently redeemed by the city. They are distributed, in New York, by investigators who work alone, so that their actions can be checked by no one. A certain proportion of the investigators, who are dishonest, tell a family receiving aid that they must buy their groceries at one particular store; and when they go to this store with their tickets the prices are raised, perhaps 50 percent, and they can get only two-thirds as much as they could for the same amount of money in cash. The grocer subsequently gives the investigator one-half of the illegitimate extra profit, which can easily run into hundreds of dollars a week, and the family receiving relief must get along on two-thirds of the assistance it is supposed to obtain.

Most of these investigators are men, and among them has developed an even more contemptible practice. If they call upon a woman who has asked for help, they sometimes make improper advances to her with the threat that if she does not yield, they will make an adverse report upon her case. If she and her family are faced with the danger of starvation, such coercion is extremely powerful. These things are of course done without the knowledge of the higher-ups.

That relief contributions are used for political effect goes without saying. In New York, as everyone knows, this winter will be a desperately hard one. The money now in sight from all available quarters is not sufficient to feed the 1,135,000 officially registered unemployed in the city. In order to husband resources as much as possible, relief has been cut down to the minimum, not more than about $6 or $7 a week a family. Yet the other day, orders were suddenly issued that relief should be enormously expanded, in many cases being increased from $7 to $14 or $15. It is perfectly obvious that this is being done to hold the voters in line. Many plain people in New York were nauseated at sight of the bosses, Curry and Koenig, conspiring to foist upon the city such a nonentity as Surrogate O'Brien, and the Democratic leaders feared a bolt to the Socialist candidate, Morris Hillquit. The extra relief money which is being poured out so lavishly will of course be cut off the week after election, and the unemployed will be reduced again to $6 or $7 a week. But in the meantime, the heretofore apathetic voters will have been herded to the polls, which is what the bosses want.

Nobody expects honest government at present in New York or most other large American cities; and the facts given above are important mainly because they illustrate so well a fundamental weakness in the prevailing American philosophy. From Mr. Hoover downward, the dominant element insists that the recurring crises of successive depressions shall be treated on an *ad hoc* basis, one at a time and with the inefficiency of hasty, temporary organization. The stealing from the unemployed, the appalling waste of money which is going on all over the country, are not incomprehensible accidents. They are a natural by-product of the rugged individualism to which Mr. Hoover and his party are committed.

Glassford Goes

THE BEST known and best liked police chief in the United States, until last week, was General Pelham D. Glassford, of Washington, D. C. Now Glassford has resigned, forced out of office by the Hoover administration because of disagreements arising out of the Bonus Army affair. He had sought to remove some of his subordinates, in an attempt, according to The Washington Daily News, to "break up the 'police machine.'" The police commissioners refused to act upon his suggestions and he had no alternative but to resign. But the real quarrel came when he objected, last summer, to the Hoover administration's use of torch, tear gas and bayonet against the B. E. F.; when he had the courage to stand up and denounce Attorney General Mitchell's outrageous slanders against the veterans; and when he let it be known that, contrary to the Hoover-Hurley fiction, he had not asked the aid of federal troops. At that time it was freely predicted that the Hoover administration would make it impossible for General Glassford to stay in office; and it is now clear that this is what has happened.

There are several reasons why the loss of Glassford is regrettable. One of them is that Washington will be visited this winter by several groups similar to the B. E. F.—the Communists and the farmers will both arrive in December—and that in the absence of Glassford's patient and understanding policy, serious trouble is possible. Another is that General Glassford, despite his lack of experience in police work, represented the best new development in that field, the intelligent and conscientious man who regards police administration as both an art and a science, reads the most important available books on it and feels he has a responsibility to the poor man as well as the rich. And finally, here is another case where "a Hoover expert walks the plank." Glassford, like other peo-

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ple, caught the administration juggling the facts for political purposes. Like others, he spoke up and said what he thought of it; like them, he is shown the door.

Free Trade and Protection —Two Blind Alleys

IN THIS issue of The New Republic there are two brief articles on tariff issues by distinguished scholars. One, by Professor Frank W. Fetter of Princeton, points out that Senator Smoot, like other Republican leaders, is mistaken in arguing that the Smoot-Hawley bill has had no effect in limiting our imports or restricting foreign markets of export industries. The other, by Charles A. Beard, protests against the belief which seems to be in the minds of many low-tariff advocates that a removal of the barriers of trade among nations would restore prosperity and rescue capitalism. We agree, in the main, with both of these positions. They really are not inconsistent with each other.

In order to explain our point of view, it will be convenient to think for the moment only of the internal economy of the United States. Let us suppose that the Constitution did not forbid customs duties between the states, and that counterparts of Senator Smoot should arise in each of the various sections of the country, such as New England, the Middle Atlantic states, the South, the Central West, the Mountain states and the Pacific Coast. Let us further suppose that, in accordance with the arguments of all the little Smoots, each of these sections applied a protective policy for the supposed benefit of its manufacturers and farmers, intended to bar out competition from the other sections. Is it not obvious that the trade and business of all would be adversely affected? The grain and cotton raisers would have even larger unmarketable surpluses than at present, while the manufacturers of the East would enjoy even smaller markets among the farmers. Any section now at a disadvantage in producing a given kind of product would have to charge its consumers more for that type of product, since the tariff would have the effect of encouraging less efficient units of production, in localities where this type of production would not normally have arisen. The real income of all would be decreased. Only an insane person would propose cutting up the United States into self-determining customs units as a stimulus to its material welfare. Precisely the same logic applies to raising national tariffs in a world in which international trade is an appreciable factor. To seek prosperity by protection is to run up a blind alley. Dr. Fetter's argument is based on entirely sound premises.

Now for Dr. Beard's point. The United States at present has complete internal free trade. So far as the free-trade doctrine is concerned, it is, within its own borders, an economic utopia. Nevertheless, it is in dire trouble. This trouble has by no means arisen solely, or even mainly, from foreign economic disturbances. If our difficulty were, for instance, that we could produce too many crops but too few manufactures for our own people, and that, if it were not for the tariff, we could exchange exports of the one for imports of the other, the belief that international free trade would help us materially would be reasonable. But our internal lack of balance is of quite a different sort. We can produce more of almost everything than our population has the purchasing power to consume.

Other nations also have surplus capacity for most of the things of which we produce a surplus. Any relaxation of the protective policy by any nation therefore means, under present conditions, widening the circle of competition among producers, without providing much more net ability to buy the products. It is not, by and large, a proposal to allow the several nations to exchange what they have in superabundance for what they lack, but a proposal to throw into one world pot the great capitalist contradiction of plenty in the midst of want.

Neither free trade nor tariff protection—nor a compromise between them—offers a way out. Both are irrelevant to the real problem. What we have to do is to govern our economy in such a way as to provide consumers everywhere with sufficient purchasing power to buy what modern technique enables us to make, and then to make what the consumers really want. This requires many controls of production, prices, wages, investment and credit, controls which are the complete negation of free trade. These controls, however, will also be quite different from customs duties imposed in the interest of profits, and dictated by lobbies of national private interests. Trade between socialized countries, as Mr. G. D. H. Cole points out in his new book, "A Guide Through World Chaos," will be a sort of planned barter, aiming by social intelligence to achieve the same end in international commerce which the free-traders have always said blind private enterprise under free trade would approach—the most efficient use of all the resources of the world for the equal benefit of all its inhabitants.

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The Tariff in the Campaign

I: The Last Gasp

AMONG the formulas now muttered around the bubbling pot on our witches' night of distress the most common is this: "Abolish reparations, cancel debts, lend money and reduce the tariff, then foreign trade will swing upward and our agony will be at an end." Many of our best minds, especially those celebrated for independence and disinterestedness, pronounce it with growing insistence. It is the Q.E.D. of innumerable articles in our leading magazines. It is the apparent upshot of a whole book by Sir Arthur Salter entitled "Recovery"—to which the query might well be added, "Of What?" It is the rosy promise of Democratic politicians that a reduction in the American tariff must be a prelude to a "return" to prosperity. Economists praise the doctrine. Editors celebrate it in heavy leaders. It seems too good to be true, but is it true that this simple operation will remove the painful disease which threatens us with death and destruction?

The idea of saving our souls by foreign trade is not new. Those whose memories go back to day before yesterday or who have read the history of panics during the last fifty years are familiar with it. Strange to relate it is not a monopoly of the Democratic party. One of its best formulations came from Republican headquarters. Near the turn of the nineteenth century the American continent had been rounded out, the domestic market had been fairly well saturated with manufactured products and American capitalists had begun to look abroad for new worlds to conquer. William McKinley was their advance agent. The Spanish war, by extending American control to the Caribbean and the Philippines, offered fresh outlets and gave promise of indefinitely expanding markets for American goods. But that was not enough. William H. Taft and his Secretary of State, Philander C. Knox of Pennsylvania, then formulated the creed of dollar diplomacy—the extension of markets for American goods in all directions by a judicious use of force and diplomatic pressure. Mr. Taft bluntly told American manufacturers that if any of them did not now need new markets abroad, they would soon need them for their economic salvation and that they should support the government of the United States in the new course of trade promotion. This was to be done in the national interest and the national interest was inexorable.

After the interregnum under President Wilson came the return to normalcy—to the promotion of foreign trade with all the engines of government and propaganda. The Department of Commerce was enlarged. Agents were sent into all parts of the earth searching for new trade opportunities. American business men were summoned to the feast, invited to extend their plants, if necessary by putting mortgages on them, and preparations were made for "permanent" and growing prosperity. We were told day in and day out that our welfare depended on foreign trade and given to believe that an ever expanding outlet for American commodities was not only possible but was in fact our only hope for bigger and better things. At last an escape had been found from the internal contradictions of the capitalist system—surplus profits and goods could always be exported and the wheels of industry thus kept turning, swifter and swifter. That caused an ecstasy to run through the business world.

And yet right in the high noon of that loveliness, the beautiful show blew up. The fire escape led into a house on fire. It might have been foreseen. Long ago, William McKinley flatly told the country that it could not expect to sell everything, more and more of it, and buy nothing. And his remedy was the blessed word "reciprocity." For years the Republicans understood the law of trade, namely, that in the long run every export of commodities must be balanced by an equivalent import. So they tried to discover how they could expand exports without taking any commodities in exchange which, as McKinley put it, would "injure our industries." They tried hard. Laws were passed and treaties made, but from the groaning mountain only a small squeak was heard. About the only things they could discover which would not "injure our industries" were tea, coffee, tartar, brandy and wine; and then Carrie Nation took brandy and wine off the list. Having tried reciprocity, the Republicans gave it up and went back to the most-favored-nation rule.

Fortunately for them, the habit of lending generously abroad took hold of the American people at that moment. A new way for expanding exports was found: lend foreigners the money with which to buy our goods and postpone the day of imports and reckoning. It worked beautifully—while it worked. Any manufacturer can get rid of all he can make if he gives it away to impecunious foreign relatives. But in the end foreign lending came to a smash. American citizens, looking at their lovely bonds in strong boxes and reading notices of defaults in the newspapers, surrendered the habit of generous lending. Another escape was closed.

But there is another door, now pointed out with much gesticulation by deserving Democrats: the

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tariff is to be lowered, there is to be reciprocity, and an "economic conference" is to be held. Reciprocity looks thin to anybody who knows any tariff history from 1897 to 1913. An economic conference cannot make water run up hill. Will a reduction in the tariff make possible the continuous expansion of the export of American goods and thus drain off the surplus of commodities? Not a single writer who has propounded this remedy has given a bill of specifications, has told us just how a lower tariff or even free trade would actually open wide the flood gates and allow a stream of American goods—ever expanding under the drive of technology and capital accumulations—to flow abroad, thus getting us out of the jam and permitting an escape from the surplus dilemma. Do they know that it would? If so, how do they know it?

They do not know it from experience, for the modern world has never tried free trade or mere revenue tariffs. It is true that England experimented with such a scheme during her great days of industrial supremacy when she feared no competitors. But was she able to find an ever expanding outlet for the ever swelling stream of goods which her factories could produce? History answers, No. So England now swings back to a tariff in the hope of setting her industries turning. Has the return proved to be the escape, the wonder-working miracle? If so, no one has noticed the fact.

Since there is little experience to go by, our low-tariff thinkers must resort to logic, inference, reasoning, to prove their case. What really would be the effect of a reduction in the American tariff? If made all along the line, it would probably let in a flood of goods of substantially the same character as those with which our warehouses are bursting already. That would probably help the wheat and cotton farmers, for they might then afford to buy something. But what would the effect be on the total economic situation? Our bell-ringers, sooth-sayers and literary prognosticators are strangely silent with respect to the realities of the events they foretell.

A reduction in the tariff would certainly unsettle a lot of economic arrangements in the United States, but now that our export of manufactures exceeds our export of agricultural commodities, would it start up manufacturing industry again? Those who think so are bound to give us a blue print. In fact, they cannot make it, for they confront the iron law of trade, namely, that in the long run exports must be paid for by imports and also the fact that under our current use and wont in economy it is not possible for consumers, domestic or foreign, to buy as much as they can produce. So the call for a reduction in the tariff seems to be the last gasp, the last forlorn hope for an escape from the jam in production.

CHARLES A. BEARD.

II: The Republican Defense

THE OFFICIAL Republican case in regard to the tariff has lately been made from several sources. It was given by President Hoover in his Cleveland speech, on which The New Republic commented last week; and it is set forth with particular emphasis in an article by Senator Smoot which recently appeared in The Saturday Evening Post (the issue of September 10). To be sure, the economist may dismiss the Senator's article with the remark that it is just economic nonsense, but if he has any sense of political realities he must admit that it is the sort of nonsense that has a strong appeal to the man in the street. The depression smashed rather thoroughly the old high-tariff-makes-prosperity arguments of the cruder sort, but the Senator from Utah has made a pretty good job of picking up the pieces and assembling them into an article for disposal in a depression market to an ever gullible public.

He presents a melange of appeals to nationalistic prejudices combined with an economic argument based on the assumption that international trade is a one-sided affair in which the wily foreigners always get the better of unsuspecting Uncle Sam. This caricature of international trade is supported by an alleged quotation from Abraham Lincoln upholding Senator Smoot's argument; the contention that the Hawley-Smoot tariff represents the living spirit of fair trade is buttressed by statistical data purporting to show that in the depression imports have fallen off much less than domestic production.

The argument is so clever, so insidious, because while in form an appeal to the sound common sense of Americans, it is in fact an appeal to their prejudices, their lack of familiarity with tariff history or with statistical method. Hardly a handful of those who read the article know that the quotation attributed to Lincoln, which the Senator refers to as "impressive," is a discredited myth, and that there is not the slightest evidence that Lincoln ever used the words put in his mouth. Only those who step with cautious tread amidst figures will see the pitfalls in the statistical picture presented.

The Senator gives figures showing that in the first quarter of 1932 industrial production in the United States had fallen off 35 percent as compared with the same period in 1928, whereas imports had fallen off only 16 percent, and then draws this conclusion:

> Import trade has maintained its position through the slump much better than any other category of business. The American public consumes a larger percentage of foreign goods now than it did before the depression.

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To the unsuspecting this is impressive evidence that the popular talk about the Hawley-Smoot tariff being a barrier against imports is groundless. In fact, it even suggests that a higher tariff is needed. But Senator Smoot's picture and his conclusions ignore completely the distinction between duty-free and dutiable goods, and between products of different types of industry.

About two-thirds of our imports are non-competitive products that come in duty free. The large proportion of duty-free imports is not, as some have naïvely supposed, the result of a liberal tariff policy. It is the result of extremely high rates on almost everything except raw materials and tropical products, thus restricting dutiable imports to such small proportions that duty-free imports look large by comparison. When we examine the figures for the most important of our imports, both duty-free and dutiable, we find that the physical volume of duty-free imports declined some 6 or 7 percent between the first quarter of 1928 and the first quarter of 1932, whereas dutiable imports declined not less than 30 percent. Thus the imposing contrast between a decline of 35 percent in domestic production and 16 percent in imports is reduced, when we limit our examination to dutiable imports—the only ones that would be affected adversely by the Hawley-Smoot tariff—to a contrast between 35 percent and 30 percent.

This is a bad blow at the Senator's argument, but it is only part of the story of statistical atrocities perpetrated on an unsuspecting public. The Federal Reserve Board's index of industrial production (apparently the one used by Senator Smoot in getting his figure of 35-percent decrease between 1928 and 1932) is heavily weighted by products whose production fluctuates greatly with the business cycle. It is in such lines that the decrease in domestic production has been greatest: iron and steel, 65 percent; lumber, 72 percent; automobiles, 61 percent and cement, 50 percent. In the industries turning out consumption goods the decrease has been much less: 20 percent in textiles, 16 percent in foodstuffs, 3 percent in tobacco manufactures, and no change in petroleum refining.

Automobiles and the products of heavy industries are of only minor importance in our import trade. In 1930, for example, the four products of this nature mentioned above furnished less than 7 percent of our dutiable imports and less than 3 percent of our total imports, although they had a weight of 35 percent in the index of domestic production. Hence, when we compare with dutiable imports that portion of our industrial production which is of an analogous nature, we get a decrease of not much over 15 percent in domestic production, as compared with a decrease of about 30 percent in imports. This is a very different picture from that conveyed by Senator Smoot's contrast of a 16-percent decrease in all imports with a 35-percent decrease in total domestic production.

Although the present writer does not claim that a comparison of dutiable imports with industrial production in the lighter industries is a perfect test for the purposes, it is certainly far nearer the truth than is the comparison between total imports and total production. Just as Senator Smoot's "impressive" Lincoln quotation turns out on examination to be an exploded myth, so his imposing comparison of changes in domestic and import trade is a statistical joke.

FRANK WHITSON FETTER.

The Libby Holman Case

THE TOBACCO city of Winston-Salem in North Carolina may shortly be the scene of a criminal trial of some interest. The newspapers have had a merry time with the Reynolds case, and a population avid for sensational details has treated the whole affair like a successful Hollywood film; but in spite of the vulgarity of the material, the case itself is more revealing than the headlines would indicate. The circumstances are commonplace enough: a rather disequilibrated young man, characteristic offspring of the illiterate rich of the New South, married a Broadway torch singer and thereafter killed himself, or was killed, at the end of a drunken party. The public which observes the goings-on of rich people with horrified fascination needed no more: the Broadway singer, with a friend of her husband's, was indicted on the charge of murdering the young man. So slender was the evidence to support this indictment that the family of the victim has now dissociated itself from the prosecution, and it is possible that the long awaited trial may dwindle to the merest formality of acquittal. If so, the public will be disappointed of its carnival and receive none of those pleasurable shocks which accompany the revelation that the rich lead naughty, naughty lives.

So far, of course—and this is exactly as far as the newspapers take us—the whole business is trival. It makes no conceivable difference to the rational portion of humankind whether Mr. and Mrs. Reynolds get drunk or not; and it makes precious little difference whether they murder each other or not. What is of interest is the economic and social situation which produced them, and which to a large degree made this affair, and others like it, inevitable. To relate these particular individuals, unimportant though they may be, to the social processes of which they are a part, is to understand a little better what the United States is like in 1932.

Winston-Salem, the scene of the alleged crime, is an industrial city of a little over 75,000 inhabitants. It is made up of two cities, the older of which is Salem. The core of Salem was a settlement of Moravians from Pennsylvania. The Moravians have never borne an organic relationship to the life of the South, and are outside the processes discussed here; but the little Moravian enclave of Salem remains, to this day, the only

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genuinely dignified thing in the motley city. The other section, Winston, was made up largely of Negroes and poor whites. It was among them that the tobacco industry was developed, and a class of new rich thrown off. This class, enormously rich and exceedingly new, has of recent years followed the example of other illiterate plutocrats in building great palaces and gardens, so that a whole new area on the edge of Winston-Salem has been developed to house them. The visitor to the city is shown mile after mile of these monstrous estates, some of them Italian and some of them English, some of them Virginia Colonial and some of them simple fantasy. Except perhaps in the more unmitigated districts of California, there is no part of the United States where ignorance and architecture have so exquisitely combined to bewilder the observer. In these palaces live the uneasy children of the tobacco kings, endeavoring to create some kind of new social organism with which they can feel at home.

The poor whites of the South, as is well known by now, occupied the worst position in the social economy, wedged in between the former ruling class and the great mass of Negroes, and cordially despised by both. Through no fault of their own, the poor whites came in time to be a group of people with almost no standards of any kind, either in morals or in manners. Generation after generation, they struggled to keep themselves alive, until the industrial revolution at the end of the last century gave them their opportunity at last. It was inevitable that from this class should arise the masters of the new era. They were ruthless, ignorant, grasping and uninhibited. They had no nonsense in their heads about being "gentlemen," and had never even heard of "good taste." They would do anything, take any advantage, ignore any criticism. Exploitation of other poor whites, as of the Negroes, was the instrument of their aggrandizement; they cared as little about the opinion of the ladies and gentlemen of the South as they did about the opinion of the poorest black laborer. They achieved the objective of the first generation of all capitalist groups: to make money, and more money, and still more money.

It was to this generation that the late R. J. Reynolds, the founder of the Reynolds Tobacco Company, belonged. Described as a man of ruthless determination and energy, he came down from his pappy's tobacco patch in Virginia and organized the manufacture of standardized brands of smoking and chewing tobacco and, later on, of cigarettes. He associated with himself in this enterprise a number of other uneducated poor whites, who became rich with him. To the end of his days he maintained a prejudice against education, admitting to his gigantic organization nobody who had undergone the disgrace of a term in college. The necessary exception to this rule was, of course, the lawyers, without whom no such capitalistic colossus could exist; and oddly enough it is a lawyer who now heads the company old Reynolds founded. The founder himself relied, in many matters, on his stenographer, whom he afterwards married.

The part of such a rising plutocracy which brings about its social changes is, of course, the women. The women devise ways of spending the new money; the women are conscious of the more obvious forms of social opinion, such as those concerned with the use of the knife and fork. In time the women attempt to take on the color of more established social groups, and the second stage of the plutocracy begins—the era of pretentious vulgarity. It is this stage which the Winston-Salem tobacco plutocracy has now reached, and upon which the Reynolds case sheds an appropriately garish light.

The victim in our case of suicide or murder was produced in the second stage at a time when almost unlimited money had surrounded the tobacco people with the artificial appearances of social position. This situation, in groups without tradition or a sense of responsibility, naturally produces a tendency to display, allied with a determination to forget origins. The victim seems to have taken no interest whatever in the great industry his father founded, but to have preferred instead the role of what is called a "playboy" on Broadway. His marriage to a jazz singer was a natural consequence of this curious deracination, of which we have seen so many examples in the history of American capitalism. That the jazz singer was an intelligent and educated woman, who engaged a tutor for her husband and attempted to raise him to her own level, is one of the more ironic aspects of the whole affair.

The Reynolds case is, of course, extensively discussed all through the states interested in tobacco. Hostility to the accused widow (who happens to be Jewish) is widespread. A stranger cannot avoid the conclusion that no impartial jury would be easy to obtain under such conditions. But aside from that one point, there is no unanimity of feeling on the matter. The Winston-Salem tobacco plutocracy is regarded with such dislike by the former ruling classes of the South that it almost seems they would be glad to see the whole group condemned for the young man's death. And, in a sense, the Southern aristocrats are right: for the case is a characteristic result of those disturbances of equilibrium which come by the sudden enrichment of people without standards of any sort. In a planned society—such as the South certainly was before the Civil War—social opinion could control behavior even in the privileged groups: there was always the notion of "ladies" and "gentlemen." Such words are meaningless in a sudden and violent plutocracy. In another form of planned society—that which the future must certainly bring forth—it will be quite impossible for anybody to possess such unlimited leisure and unlimited luxury without justification or responsibility. But in the particular stage of

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economic and social development which produced the Reynolds case we have neither one thing nor the other: we have, quite simply, an irresponsible generation of illiterate rich people, lacking in either tradition or grace, amusing themselves in their mushroom palaces by such diversions as are open to the darkened mind of the barbarian. In such a world no excess can be surprising, and no combination of excessive events impossible.

VINCENT SHEEAN.

Can We Curb the Holding Company?

ONE OF the most revealing aspects of the current business depression is that of the financial breakdown of the public-utility holding company. Up to the fatal year 1929, public-utility executives and financiers were able to make a strong case for their assertion that the rapid and remarkable development of the country's electrical industry was due in large measure to the domination of that industry by a group of financially strong and well managed holding companies. The early history of the light and power enterprise, as exemplified by the growth of the United Gas Improvement system and of the Electric Bond and Share system, probably bore out this claim as valid for that period.

Within the last few years, the situation has completely changed. The change was taking place even before the stock-market debacle of 1929, and was noted before that time by critics of utility finance. Today, however, its results are apparent to anyone who follows current finance and whose sight is not blinded by the interests of his pocketbook. Today the greatest structural weakness of the public-utility industry in America—I say *structural* weakness in order to make exception of the other far more fatal weakness, the low social standards of certain leaders of public-utility finance—is the superstructure of the holding company and of the so-called investment company which in turn controls that holding company.

What is the nature of this critical change which has turned the holding company from what I believe was a public benefactor into a great social menace? The change is threefold and may be characterized by the three phrases, irrational consolidation, overcapitalization and uncontrolled management charges.

In their earliest stages, public utilities were distinctly local industries—often not merely local but competitive within each community. Most utility competition is extremely wasteful. Even without competition, most utility plants, if confined to one local community, are too small for maximum economies in construction, operation and finance. As the most facile device for combining these local properties into larger systems, the holding company performed a great public service in its earlier days. It gave to the local plants a degree of managerial skill and of financial support that they had been unable to obtain as long as they were isolated units. It drew vast quantities of capital from the great financial centers of the country, capital that was largely unavailable to local operating companies.

But having done its good work, the holding company has been proceeding for the last decade to undo it with even greater rapidity. It has now carried combination to a point far beyond that of maximum economy. Normal growth has given way to giantism, with the result that a grouping such as the Electric Bond and Share system or the insolvent Insull system must be regarded as an economic disease. Not only is the size of such a system excessive; what is more serious is that it sprawls out on the public-utility map of the country without relation to the requirements of physical integration. The argument that the tie-up under a great holding company of properties as far apart as those of Maine and California is justified by the theory of diversity of risk, is a feeble argument indeed. On the same theory one might as well propose to combine the finances and management of the city of New York with those of the city of Los Angeles.

If unwieldy combination deserves first rank as explaining the change of the holding company from the role of public benefactor to that of a social evil, overcapitalization and financial mismanagement rank second. Not so many years ago, a holding company like the Electric Bond and Share Company was financially the strongest part of a public-utility system. Its own securities were salable in large quantities, while those of the operating companies were not. The parent concern therefore constituted the great fund-raising device of the operating companies, and it served to tide the subsidiaries over periods of hard times. With but few exceptions, notably that of the American Telephone and Telegraph Company, this situation no longer prevails. Today the holding companies are the financial weak sisters, their common stocks going begging on the market for a paltry few dollars per share, and even their notes and debentures selling at heavy discounts. The great Middle West Utilities system is already in the hands of receivers, and several of the other systems can hardly avoid receivership or, at least, drastic financial reorganization. In some cases that have been formally reported by public-service commissions, holding companies have been leaning on their subsidiaries

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by borrowing from them on their unsecured notes —notes which, in the case of one holding company recently in default, remain unpaid.

What has happened to change this financial situation overnight? The answer is not difficult to find. Utility operating companies in the majority of states have been subject to financial control by public-service commissions. On the whole their securities have heretofore not been heavily watered. Holding companies, on the other hand, enjoy the blessing of freedom from financial control, and they have made the most of their opportunities. Up to the 1929 break they were bidding against each other for new properties at fabulous prices in cash or in securities. They issued to their own stockholders or to their officers, promoters and bankers all sorts of funny participation instruments, option warrants and the like, until the liabilities side of their balance sheet was loaded to the point where their Plimsoll mark was deeply submerged. Fair-weather financing has characterized nearly all holding companies. Now comes foul weather, and they are in trouble.

The third aspect of the fall from grace of the holding company is that of the service charge for management. How any men with a high sense of business honor can support the prevailing system of service contracts, which permits the executives of the parent concern to dictate the prices at which the subsidiaries shall buy services from the holding company and therefore from themselves, is more than I can see. The evil should not be temporized with or merely mitigated. It should be cut out root and branch. The profit-making service charge must go.

If this picture that I have drawn of the evils of the modern holding company is substantially correct, it calls for radical legislative action. It raises, first, the question whether the holding company should be outlawed or regulated. It raises, second, the question of what form of regulation should be imposed on those holding companies that are allowed to persist and develop. It raises, third, the question whether state control of holding companies is adequate, or whether federal supervision will also be necessary.

These are large and difficult questions, and they cannot be intelligently discussed within the limits of a single article. I must be content, therefore, to express my own opinion with very brief and inadequate statements as to my reasons for holding them.

So far as concerns the choice between regulation and abolition, I feel sure that the answer is not the simple one of adopting either of the two to the exclusion of the other. On the whole, to be sure, I believe that the outlawry of every utility holding company would be preferable to the present state of things. And this is true, not merely because the unregulated holding company is such an evil, but also because desirable combinations of physically adjacent properties by outright merger or amalgamation have been taking place rapidly and can be accelerated in the future. But one need not accept either horn of the dilemma. Under our present laws, certain types of highly desirable centralization can hardly be effected without the device of intercorporate stock control—that is, without the device of the holding company. And these types should be sanctioned, provided that legislatures and courts will make possible their effective regulation in the public interest.

For the most part, interstate utility systems are out of the question except by means of a holding company which controls the locally chartered operating companies. It would be a calamity, for example, if the operating units of the Bell telephone system were to be deprived of the centralization that is effected by the American Telephone and Telegraph Company. Until public opinion makes possible the creation of a great federal corporation as the direct owner of the entire telephone system in the United States, the only practical alternative is that of the holding company. In brief, then, the holding company should be sanctioned only when the form of combination that it makes possible is desirable, and only then when outright merger is precluded for legal or financial reasons.

But what forms of combination are desirable? Without attempting here a direct answer to this question, I may at least suggest certain forms that should be taboo. The first one to go should be that agglomeration of physically unrelated properties that characterizes nearly all of the major electrical systems today. The Middle West Utilities system, the Electric Bond and Share system, the Associated Gas and Electric system, the North American system, are systems in name only. From the point of view of engineering or operating efficiency they have no adequate excuse for existence.

A second type of combination on the properly outlawed list is that between a utility and a non-utility industry. Cities Service Company, for example, which mixes oil with electricity, ought never to have been created, and should be encouraged to go to the divorce courts.

A third type of combination should be "viewed with suspicion," to say the least. I refer to the so-called composite utility system, such as the Consolidated Gas Company of New York, which controls both the electrical and the gas business of a given territory. When the same interests are allowed to control the two semi-competing types of business, they are likely to subordinate the welfare of the one to that of the other. But it must be admitted that there is another side to this case. In the first place, certain operating economies are possible, though seldom fully realized at present, through joint ownership and control. In the second place, it is still an open question in rate-making whether rates for gas and electricity should

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not be determined in relation to each other, to the end that the entire joint property shall be permitted to earn a reasonable return. My present judgment on this question of rate theory is in the negative. But the defenders of the affirmative side can present a strong argument for their point of view. Until the problem has been canvassed by public-service commissions and economists more thoroughly than has yet been done, it seems clear that the policy of regulation should be against any increase of composite utility systems. It will be easy to increase the composition at a later date, but far less easy to decrease it.

A fourth type of combination is that effected by the super-holding company or so-called investment trust. It involves the creation of a pyramid of stock-owning companies, the top company owning the controlling stock in two or more intermediate holding companies, which in turn control many operating subsidiaries. Sometimes, indeed, the top company owns the stock simply in *one* intermediate holding company, so that it does not even have a shadow of an excuse to exist as a device for centralizing different utility properties. This is the case with the Standard Gas and Electric Company, a holding company controlled by the Standard Power and Light Corporation, which in turn is controlled jointly by H. M. Byllesby and Company and by the United States Electric Power Corporation, the last company being controlled by United Founders Corporation and its subsidiaries!

It is only necessary to describe this crazy maze of pyramided holding companies in order to condemn it. Mr. John T. Flynn has performed this task in the pages of The New Republic and elsewhere, and he was once cruel enough to subject the Standard Gas and Electric system to indecent bodily exposure at a public meeting that was later addressed by one of the vice-presidents of the system. I myself was present at this meeting, and the published record of the proceedings confirms my recollection that the official was unable to answer Mr. Flynn's request for the *raison d'être* for such an astonishing anatomy.[1]

I have deliberately given disproportionate space to the question of whether the holding company should be merely regulated or completely outlawed, since this question is the primary one at the present time. The two remaining problems of legislative policy must therefore be passed by with the briefest of comments. As for the proper scope of regulation, three kinds of public control will be necessary. First and most important of all is rigorously enforced publicity of accounts, under uniform rules of accounting and public auditing. Professor William Z. Ripley has done more than any other man to impress the necessity of this action on students of regulation and on the more enlightened members of the banking profession.

[1] The Annals of the American Academy of Political and Social Science, January, 1932, pp. 7-22.

The second necessity is control by commissions over holding-company securities in the interest, not only of the investors, but also of the consumers. The day has passed when utility executives can even plausibly argue, as they and the railroad officials have argued, that overcapitalization and other forms of financial mismanagement are matters merely of private concern as between investors and management. I am inclined to think, however, that at the present stage in the development of the utility industry, regulation of holding-company securities by public-service commissions is premature. The capital structures of most of these companies are so grossly inflated at the present time that until deflation has taken place any attempt by commissions to supervise further security issues would make it more difficult for them to deny responsibility for past excesses. For the time being, therefore, there is much point in the recent remark of Chairman Atwill of the Massachusetts Public Service Commission, that he does not want to regulate holding-company securities, since they would be completely ignored in a rate case.

The third necessary type of regulation concerns those holding companies that directly or through affiliated companies impose charges on their subsidiaries for management service and for other services and commodities. The Electric Bond and Share Company and the Associated Gas and Electric Company are two of the many organizations that derive a material part of their revenues by selling services to their own subsidiaries at a profit. The form of regulation that is usually proposed, and that in some states is actually attempted, is one that distinguishes between "fair" and "unfair" service charges. Charges that result in unduly large profits to the holding company, or that are in excess of the cost which the operating companies would incur for similar services by independent bargaining with outside organizations, are forbidden, or at least disregarded, by a commission in their regulation of utility rates.

My own conviction is that this proposed remedy will prove inadequate, just as a law permitting trustees to make a "reasonable profit" by trading with their *cestuis* would be inadequate. On practical, administrative grounds it is sure to prove ineffective. Holding companies should therefore be given one of two choices—either to abandon completely the practice of doing business with their own subsidiaries, or else to place all of this business in the hands of a specially created affiliated company, the stock of which is entirely owned by the subsidiary operating companies rather than by the holding company or by the controlling officers. This scheme has already been adopted voluntarily by the Commonwealth and Southern Corporation which, I think, originated it. A separate corporation, the Commonwealth and Southern Corporation of New York, has been created and all of its stock is held by the various operating companies roughly in proportion to their gross earnings. The

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affiliated service company performs management, engineering, supervising and purchasing services for a charge estimated approximately to cover costs. Any excess revenue realized by the service company, however, is turned back to the operating companies in the form of dividends. In this way, according to the Commonwealth and Southern officials, the holding company is completely deprived of the opportunity to make a profit by doing business with its own subsidiaries.

I believe that this plan has great merit, not as a substitute for the direct power of a commission to control service charges, but as an additional source of protection to investors and consumers. Its adoption might well be required for all companies that do not wish to abandon entirely the use of the service charge.

The third and final question as to the public control of the holding company involves the problem of state or federal jurisdiction. It is an exceedingly difficult problem, both from a legal and from a practical point of view. The proper solution remains a mystery, to me at least. But on one point I see no ground for serious dispute. As long as interstate holding companies are to be tolerated, just so long will some measure of federal control be essential. In other words, the jurisdiction of the regulating body must be as wide as is the territory in which the regulated utility operates.

This does not mean that federal control need be exclusive, as it has almost become with respect to the interstate railroads. Public-utility enterprises are far more local in character than are the steam railroads, and they will remain so despite the development of superpower and of long-distance pipe lines. But some federal agency to coördinate the activities of the local commissions and to decide disputes between them when they cannot settle their own quarrels, is imperative. One of the clearest pieces of evidence that state regulation alone is ineffective is the fact that the utility interests almost unanimously oppose federal regulation. In public speeches, to be sure, their opposition is based on conventional states' rights arguments. But who can doubt that their real opposition is due to their belief that state regulation is less effective than federal control?

JAMES C. BONBRIGHT.

Ambulance Service

The Second of Two Articles on the Homeless Generation

IN A PRECEDING article I tried to show that school and college, for the young men born between 1895 and 1900, were a long process of deracination, in which the student was gradually divorced from allegiance to any district or tradition or way of life. The War itself was a final step in the process. During the winter of 1916-17, our professors stopped talking about the international republic of letters and began preaching patriotism; we ourselves prepared to change our uniforms of culture for military uniforms; but neither of these changes was so radical as it seemed. The patriotism urged upon us was not, like French patriotism, a matter of saving one's own fields from an invader: it was an abstract affair that concerned world democracy and the right to self-determination of small nations, but had nothing to do with lower taxes in Buffalo, or higher pay for factory hands (and professors), or restocking Elk Run with trout. And the uniforms we assumed were not, in many cases, those of our own country.

When the War came, the young writers then in college were attracted by the idea of enlisting in one of the ambulance corps attached to a foreign army—the American Ambulance Service or the Norton-Harjes, both serving under the French and receiving French army pay, or the Red Cross ambulance sections on the Italian front. These were the organizations which promised to carry us abroad with the least delay. We were eager to get into action, as a character in one of Dos Passos's novels expressed it, "before the whole thing goes belly up."

We found when we reached the front that we were serving in what was perhaps the most literary branch of any army. My own section of thirty-six men will serve as an example. I have never attended a reunion of T.M.U. 527, if one was ever held, but at various times I have encountered several of my former comrades. One is an advertising man specializing in book publishers' copy. One is an architect, one a successful lecturer who has just finished his first novel, one an editor, one an unsuccessful dramatist. The War itself put an end to other careers. A Rhodes scholar with a distinguished record was killed in action. The member of the section who was generally believed to have the greatest promise was a boy of seventeen, a poet who had himself transferred into the Foreign Legion and died in an airplane accident. Yet T.M.U. 527 was in no way exceptional. My friends in other sections where there was an even higher proportion of young writers often commiserated me for having to serve with such a bunch of philistines.

It would be interesting to list the authors who were ambulance or camion drivers in 1917. Dos

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Passos, Hemingway, William Seabrook, E. E. Cummings, Sidney Howard . . . one might almost say that the ambulance corps and the French military transport were college-extension courses for a generation of writers. But what did these courses teach?

They carried us to a foreign country, the first that most of us had seen; they taught us to make love, stammer love, in a foreign language. They fed and lodged us at the expense of a government in which we had no share. They made us more irresponsible than before: livelihood was not a problem; we had a minimum of choices to make; we could let the future take care of itself, feeling certain that it would carry us into new adventures. They taught us courage, extravagance, fatalism, these being the virtues of men at war; they taught us to regard as vices the civilian virtues of thrift, caution and sobriety; they made us fear boredom more than death. All these lessons might have been learned in any branch of the army, but ambulance service had a lesson of its own: it instilled into us what might be called a *spectatorial* attitude.

. . . Sometimes for three days at a time, a column of men and guns wound through the village where we were quartered. Chasseurs slouching along in their dark-blue uniforms, canteens and helmets banging against their hips; a regiment of Senegalese, huge men with blue-black faces, pink eyeballs and white teeth; then a convoy of camions in first and second gear, keeping pace with the moving files. Behind them, dust rose from an interminable line of seventy-fives drawn by bay horses, with very blond Flemish artillerymen riding the caissons; then came a supply train; then, in horizon blue, an infantry regiment from the Midi, three thousand men with sullen features; then rolling kitchens and wagons heaped with bread the color of faded straw. The Annamites, little mud-colored men with the faces of perverted babies, watched from the ditches where they were breaking stone; the airplanes of three nations kept watch overhead, and we ourselves were watchers. It did not seem that we could ever be part of all this. The long parade of races was a spectacle which it was our privilege to survey, a special circus like the exhibition of Moroccan horsemen given for our benefit on the Fourth of July, before we all sat down at a long table to toast *la France héroique* and *nos amis américains* in warm champagne. In the morning we would continue our work of carrying trench-mortar bombs from the railhead to the munition depots just back of the Chemin des Dames—that too would be a spectacle.

Behind the scenes, that early summer, a great drama was being played. The Russians had had their February revolution, the French and British their March offensive; the second had been a ridiculous failure. There were grumblings around Verdun and in the Ile de France. The battalion of chasseurs once stationed in our village—those dark stocky men who asked how much longer it would go on, and begged a little gasoline for their cigarette lighters, and got drunk with us while telling of their losses in the last attack—had mutinied the following week. A division from the Midi had refused to go into the trenches. Everywhere there was discontent; it was a question whether the troops would fight on patiently until the arrival of that help from America which would surely end the War. We ourselves, as representatives of America at the front, were being displayed as first-tokens of victory, but we were ignorant of our strategic function and interested chiefly in the picturesque quality of what went on about us.

I remember a drizzling afternoon when our convoy grumbled into an artillery park with a consignment of 155-millimeter shells. Soldiers came to unload our camions, old dirty Territorials with gunny sacks over their heads. We watched them wearily, having driven and stopped and driven since four in the morning. A shell suddenly burst on the north side of the park. The Territorials disappeared into holes in the ground like so many woodchucks; we ourselves found shelter under an overhanging bank. The bombardment continued: shrapnel mixed with high explosive was bursting in the road every two minutes, regularly. Somebody found that by rushing into the center of the road after each explosion, he could gather warm fragments of steel and return to the shelter of the bank before the next shell burst in the same spot. The rest of us followed his example, fighting over our trophies. A tiny change in the elevation of the German guns and the whole park would be destroyed, ourselves along with it, but we knew that the guns wouldn't change: our lives were charmed. Spectators, we were collecting souvenirs of death, like guests bringing back a piece of wedding cake or a crushed flower from the bride's bouquet.

On a July evening, at dusk, I remember halting in the courtyard of a half-ruined château, through which zigzagged the trenches held by the Germans before their retreat two miles northward to stronger positions. Shells were harmlessly rumbling overhead: the German and the French heavy batteries, two miles behind their respective lines, were shelling each other like the Brushton gang throwing rocks at the Car Barn gang; here, in the empty courtyard between them, it was as if we were underneath a freight yard where heavy trains were being shunted back and forth. We looked indifferently at the lake, now empty of swans, and the formal statues chipped by machine-gun fire, and talked in quiet voices—about Mallarmé, the Russian ballet, the respective virtues of two college magazines. On the steps of the château, in the last dim sunlight, a red-faced boy from Harvard was studying Russian out of a French textbook. Four other gentlemen volunteers were rolling dice on an outspread blanket. A French artillery brigade on a hillside near by—rapid-firing seventy-fives—was laying down a barrage; the guns flashed like fire-

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flies among the trees. We talked about the Lafayette Escadrille with admiration, and about our own service bitterly.

Yet our service was, in its own fashion, almost ideal. It provided us with fairly good food, a congenial occupation, furloughs to Paris and uniforms that let us enter the best hotels. It permitted us to enjoy the once-in-a-lifetime spectacle of the Western Front. Being attached to the French army, it freed us from the severe and stupid forms of discipline imposed on American shavetails and buck privates. It confronted us with hardships, but not more of them than it was pleasant for young men to endure, and with danger, but not too much of it: seldom were there more than two or three serious casualties in a section during the year—and that was really the burden of our complaint. We didn't want to be slackers, *embusqués*. The War created in young men a thirst for abstract danger, not suffered for a cause but courted for itself; if later they believed in the cause, it was partly because of the danger it conferred on them. Danger was a relief from boredom, a stimulus to the senses, a color mixed with all others to make them sharper and brighter. It revivified the subjects which had seemed forbidden to young writers because they were exhausted, robbed of meaning: danger made it possible to write once more about love, adventure, death. And most of my friends were preparing to follow danger into branches of the army—of any army—that were richer in fatalities.

They scattered a few months later: when the ambulance and camion services were taken over by the United States army, few of them chose to remain. Instead they entered the Lafayette Escadrille, the French or British field artillery, the tanks, the British balloon service, the Foreign Legion, the Royal Air Force; a very few enlisted in the American infantry, doing a simple thing for paradoxical reasons. I had friends in distant sectors: one of them flew for the Belgians, another in Serbia, and several moved on to the Italian front, where John Dos Passos drove an ambulance, as did Ernest Hemingway before he volunteered for more hazardous service with the Arditi. . . . Even in these new scenes, faced by new dangers that cost the lives of many, they were likely to retain their curious attitude of non-participation, of being friendly visitors in ringside seats.

Somewhere behind them was another country of barns, cornfields, hemlock woods and brooks tumbling across birch logs into pools where the big trout lay. Somewhere, at an incredible distance, was the country of their childhood, where they had once been part of the landscape and the life, part of a spectacle at which nobody looked on.

This spectatorial attitude, this monumental indifference toward the cause for which young Americans were surprisedly dying, is reflected in more than one of the books written by former ambulance drivers. Five of the principal characters in Dos Passos's "1919"—the Grenadine Guards, Dick Savage, Fred Summers, Ed Schuyler, Steve Warner, who was a special student at Harvard, and Ripley, a Columbia freshman—first enlist in the Norton-Harjes ambulance corps, and then, when the American army takes it over, go south to the Italian front. In February of the last wartime year, Steve Warner reads that the Empress Taitu of Abyssinia is dead, and the Grenadine Guards hold a wake for her:

> They drank all the rum they had and keened until the rest of the section thought they'd gone crazy. They sat in the dark round the open moonlit window wrapped in blankets and drinking warm zabaglione. Some Austrian planes that had been droning overhead suddenly cut off their motors and dumped a load of bombs right in front of them. The anti-aircraft guns had been barking for some time and shrapnel sparkling in the moonhazy sky overhead but they'd been too drunk to notice. One bomb fell geflump into the Brenta and the others filled the space in front of the window with red leaping glare and shook the villa with three roaring snorts. Plaster fell from the ceiling. They could hear the tiles skuttering down off the roof overhead.
>
> "Jesus, that was almost good night," said Summers. Steve started singing, *Come away from that window, my light and my life,* but the rest of them drowned it out with an out of tune *Deutschland, Deutschland über Alles.* They suddenly all felt crazy drunk.

"Fellers," Fred Summers kept saying, "this ain't a war, it's a goddam madhouse . . . it's a goddam Cook's tour." It remained, for many of us, a goddam crazy Cook's tour of western Europe, but for those who served longer it became something else as well.

Ernest Hemingway's hero, in "A Farewell to Arms," is an American acting as lieutenant of an Italian ambulance section. He likes the Italians, at least until Caporetto; he is contemptuous of the Austrians, fears and admires the Germans; of political conviction he has hardly a trace. When a friend tells him, "What has been done this summer cannot have been done in vain," he makes no answer:

> I was always embarrassed by the words sacred, glorious, and sacrifice, and the expression in vain. We had heard them, sometimes standing in the rain almost out of earshot, so that only the shouted words came through, and had read them, on proclamations that were slapped up by billposters over other proclamations, now for a long time, and I had seen nothing sacred, and the things that were glorious had no glory and the sacrifices were like the stockyards at Chicago if nothing was done with the meat except to bury it. . . . Abstract words such as glory, honor, courage, or hallow were obscene beside the concrete names of villages, the numbers of roads, the names of rivers, the numbers of regiments and the dates. Gino was a patriot, so he said things that separated us sometimes, but he was also a fine boy and I understood

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his being a patriot. He was born one. He left with Peduzzi in the car. . . .

Two days later, the Germans broke through at Caporetto.

The passage dealing with the Italian retreat from river to river, from the mountains beyond the Isonzo along rain-washed narrow roads to the plains of the Tagliamento, is one of the few great war stories in American literature: only "The Red Badge of Courage" and a few short pieces by Ambrose Bierce can be compared with it. Hemingway describes not an army but a whole people in motion: guns nuzzling the heads of patient farm horses, munition trucks with their radiator caps an inch from the tailboards of wagons loaded with chairs, tables, sewing machines, farm implements; then behind them ambulances, mountain artillery, cattle and army trucks, all pointed south; and groups of scared peasants and interminable files of gray infantrymen moving in the rain past the miles of stalled vehicles. Lieutenant Frederick Henry is part of the retreat, commanding three motor ambulances and half a dozen men, losing his vehicles in muddy lanes, losing his men, too, by death and desertion, shooting an Italian sergeant who tries to run away—but in spirit he remains a nonparticipant. He had been studying architecture in Rome, had become a gentleman volunteer in order to see the war, had served two years, been wounded and decorated: now he is sick of the whole thing, eager only to get away.

As he moves southward, the southbound Germans go past him, marching on parallel roads, their helmets visible above the walls. Frightened Italians open fire on him. The rain falls endlessly, and the whole experience, Europe, Italy, the War, becomes a nightmare with himself as helpless as a man among nightmare shapes. It is only in snatches of dream that he finds anything real—love being real, and the memories of his boyhood. "The hay smelled good and lying in a barn in the hay took away all the years in between. We had lain in hay and talked and shot sparrows with an air rifle when they perched in the triangle cut high up in the wall of the barn. The barn was gone now and one year they had cut the hemlock woods and there were only stumps, dried tree-tops, branches and fireweed where the woods had been. You could not go back"; the country of his boyhood was gone and he was attached to no other.

And that, I believe, was the final effect of the War upon our generation. School and college had uprooted us in spirit; now we were physically uprooted, hundreds of us, millions, plucked from our own soil as if by a clam-shell bucket and dumped, scattered among strange people. All our roots were dead now, even the Anglo-Saxon tradition of our literary ancestors, even the habits of slow thrift that characterized our social order. We were fed, lodged, clothed by strangers, commanded by strangers, infected with the poison of irresponsibility and unconcern for the future—the poison of travel, too, for we had learned that problems could be left behind us merely by moving elsewhere—and the poison of danger, excitement, that made our old life seem intolerable. Then, as suddenly as it began for us, the War ended.

When we first heard of the Armistice, we felt a sense of relief too deep to express, and we all got drunk. The composite fatherland for which we had risked our lives and in which some of us still believed—France, Italy, the Allies, our English homeland, democracy, the self-determination of small nations—had triumphed. We danced in the streets, embraced old women and pretty girls, swore blood brotherhood with soldiers in little bars, drank with our elbows locked in theirs, reeled through the streets with bottles of champagne, fell asleep somewhere. . . . On the next day, after we got over our hangovers, we didn't know what to do, so we got drunk. But slowly, as the days went by, the intoxication passed and the tears of joy: it appeared that our composite fatherland was dissolving into quarreling statesmen and oil magnates. Our own nation had passed the Prohibition Amendment as if to publish a bill of separation between itself and ourselves; it wasn't our country any longer. Nevertheless we returned to it: there was nowhere else to go. We returned to New York, appropriately—to the homeland of the uprooted, where everyone you meet comes from another town and tries to forget it; where nobody seems to have parents, or a past more distant than last night's swell party, or a future beyond the swell party this evening and the book, the disillusioned book, he will write tomorrow.

MALCOLM COWLEY.

Washington Notes

Swinging Round the Circle—The Straw Ballots—The Hearst and Digest Polls—Will Hoover Go West?

FROM THE "trained observers"—the name conferred on themselves by Washington correspondents when, in a presidential campaign, they "swing around the circle," sending to their papers erudite dispatches concerning the situation in the pivotal states—from such of these "trained observers" as have been out and come back to Washington, I gather that the fight is all over and Roosevelt elected. There is a singular unanimity of opinion among them—but then, there always is.

If there were nothing to base a judgment upon save the consensus of opinion among these "molders of public thought," I would not be very greatly affected, because I have, and always have had, a suspicion that the sole source from which these Washington newspaper men obtain their information and upon which they base their articles is the local newspaper men. I suspect that what these trained observers do on their tours of the country is to go to the best hotel, call up the editor of the leading local newspaper, go around to the office, be introduced to

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the local political reporter and talk of local conditions with him for an hour. After that, they go back to the hotel and write one or two columns explaining what the people of this particular state think, feel and will do on election day. If there is any other way to account for the extraordinary speed in which they leap from state to state and write with authority on conditions everywhere, I am at a loss to know what it is.

In any event, I have always been skeptical of the ability of anyone, no matter how well trained and regardless of how long he has been observing, to spend one day in a big state and obtain any information of real value about its politics in a campaign not so one-sided as to be uninteresting. But there is a great deal of confirmatory evidence that the trained observers have the right slant this time, and the chances are that Roosevelt will be elected. What the trained observers are doing is riding with the tide, basing their articles upon the Literary Digest and Hearst newspaper polls. They probably have been playing perfectly safe in putting into the Democratic column more than enough states to ensure Roosevelt's success.

In this campaign straw ballots have been developed to such a point that, if they accurately forecast the result, they seem to make a joke of our whole political system and render the the holding of elections for President a totally unnecessary expense of time, labor and money. If these polls turn out on November 8 to be as accurate, for example, as the Literary Digest poll and the Hearst polls were in 1928, it would seem that we might as well not hold an election at all, but leave the matter of ascertaining the sentiment of the people wholly in the hands of the Messrs. Cuddihy and Hearst, or their successors. I am inclined to think that if these polls correctly prognosticate the 1932 result they will become of overwhelming importance in the next campaign and effect a change in the general management and conduct of presidential fights. They will also spread, I think, to state campaigns and have a relative importance there. On the other hand, if by any chance the polls should turn out to have been misleading so far as this election is concerned, then the whole straw-ballot game, which is at bottom a circulation stunt, will be played out until a sufficient number of years have passed to enable the country to forget.

In this campaign, however, it is impossible not to recognize the important part they are playing. Undoubtedly there is a large vote which inclines toward the winning side. The polls have an effect upon this vote and increase the chances of the candidate who is in the lead. No one can exaggerate the pain suffered by the Republican management as a result of the Literary Digest poll this time. Though statisticians claim that the Hearst newspaper polls have proved even more accurate in the past, the present poll does not mean so much to Republican politicians because of two things. One is the violence with which Mr. Hearst has attacked Mr. Hoover and the other is the reputation for inaccuracy of the Hearst newspapers and the public's lack of faith in the fairness of Mr. Hearst himself.

There is one interesting point which Republican politicians make in this poll business. This is that the figures of The Literary Digest printed the last of October might easily be misleading because, so they say, there will be no October ballots in the tabulation. They claim it takes at least four weeks for The Digest to collect, tabulate, analyze and print its returns. The final printed figures just before election will really represent ballots received four weeks previously. The Republican contention is that these will not reflect any change in sentiment that has occurred since the first of October. Most of the ballots, they say, will have been cast before Mr. Hoover made his Des Moines speech, which concededly helped him in the agricultural states. In other words, if there has been any change in public sentiment in the last four weeks, the final Digest figures will not reflect it.

Of course, if there has been no shift, this point is entirely trivial. But if Hoover's Des Moines speech, the speech of Coolidge in New York, those of Hoover in Cleveland, Detroit and elsewhere are effective at all, then the point is well taken—provided the politicians' facts are right. Personally, I am rather cynical about speeches changing votes. My view is that the people get set fairly early in one direction and that all the political orations in the world do not change their direction if there is a tide running.

Talking about speeches, I want to repeat that Mr. Hoover does not require any special urging to make them in this campaign. He has recognized the fact that, in the absence of Borah and Hughes, he has to make his own fight this time. The real question in his mind, I am told, was whether his speeches would be effective if he made more than three or four. At the present writing it is still undecided whether he will swing across the country to the West Coast before the end of the campaign. The best opinion here is that he will.

Secretary of the Treasury Ogden Mills, upon whom has fallen the brunt of the oratorical campaign and whose speeches have been most effective from the Republican angle, has just returned from California and it is understood that he strongly insisted that Mr. Hoover go out there to vote. He pointed out that while California seemed safe to him, it was dangerous to take a chance.

The astute Mills also declared that a trip across the continent in the final week would give Hoover an opportunity to speak in Nebraska, where there is some hope, in Colorado, where there seems to be an even break, in Minnesota, where things look not good at all, and perhaps in one or two other states. So far as Hoover is concerned, he wants to do it. It is merely a question of judgment as to whether he might not be overdoing the speech-making business. What is being told him, however, is that his situation is desperate and that he should go the limit.

The Republican strategy of the final phase of the campaign is pretty clearly seen in the speeches of Hoover, Mills and Coolidge—and by the tone of the minor Republican orators and the new flavor of the publicity. Recogn
that the country is emotionally in a state of r
against the party in power, they argue tha
check one emotion is with another. Accordin
Republican effort from now until election
emotion of Fear. If, they reason, w
scared, we will stick by the ship
overboard. It may be they can

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it does not seem likely. But, in a country like this, who can tell? The dumbness of the voters is hard to exaggerate.

Washington. T. R. B.

King James in Chinatown

The Good Earth, dramatized by Owen Davis and Donald Davis from the novel by Pearl S. Buck. Guild Theatre, October 17, 1932.

THE NOVEL of "The Good Earth" has a certain fable quality: it begins and ends with the life of Wang Lung and his family in their relation to the land, the land that gives, the land that takes you back to rest when you close your eyes for the last time. The story opens with the young farmer and his old father under the same roof, and brings to them O-lan, the slave that is to be the wife; it traces the family history on through the sons and daughters, the famine and prosperity, the young and lovely second wife, the splendid house of the old lord's that has become Wang Lung's, and at last old age, Wang Lung going back, with the gentle Pear Blossom and the idiot daughter, to the farmhouse and dying there, as the sons, treating him with reverence the while, promising to hold his blood together by holding on to the land, smile over his shoulder at one another with an understanding that the land will now be sold. The play stops short of this; it concludes with the death of O-lan and Wang Lung's going back to the land. Such an arrangement has quite as much of a fable form as the novel has. But the form only; there is little stamp of fable or impression of any one, single, unified theme. Only imaginative theatre creation can achieve that. It cannot be done by mere stage repetition of a motif: the land, the land, the land.

The dramatization lacks also much of the fullness of the novel, which is inevitable and not the theatre's fault. The play cannot be the novel, but that is nothing against its being a good play. It is a question of medium. For that matter the novel could not be a play. "The Good Earth" drags partly because the scenes suffer by the brevity of their dramatic motivation and the long-drawn-out performance given to them at the Guild; some of them, in fact, seem endless. It suffers even more through not persuading us to any sort of reality.

This is not the place to discuss the qualities of Mrs. Buck's much praised novel. As a matter of thrust, bowels and power, it is one thing; as a gentle idyll, based on gentle and sympathetic acquaintance with China, it may be another. Whatever else, "The Good Earth" may certainly be said to have a genuine purity of intention. Along with this there is a certain use of biblical prose, a point that has been much stressed by reviewers and admirers of the book. It is more than evident to any reader and suits very well the simplicity of the author's plan. This style ·ely consists of such as, "And it came to pass," "wheaten "smote," "Now when Wang Lung and his son "a moon of days had passed and the thing was ," and so on. It is fair enough in its way, we know very little of the thing it is com- d Earth" has little, however, of what ·ly exists by, little of the inmost e, of the homely, the immense, the final poetry of image, the bite, the life—"mine enemy sharpeneth his eyes upon me"; "hiss him out of place"; "devour the strength of his skin"; "pour out my gall upon the ground"; "feed sweetly"; "garnish the heavens"; "the balancings of the clouds"; "the flakes of his flesh"; the horse "swalloweth the ground with fierceness and rage"; "I have seen the foolish taking root"; "my brothers have dealt deceitfully as a brook"; "Moab is my washpot"; "rottenness in his bones"; "stripes for the back of a fool"; "confidence in an unfaithful man in time of trouble is like a broken tooth and a foot out of joint"; "destroyed all those that go a-whoring from thee"; "seal up the stars"; "make the weight for the winds."

Of that other quality of Jacobean prose there is none in "The Good Earth": English language that carries the full rhythm implicit in it, and the plainness and sonority in the combination of which it surpasses every other—"Behold, I shew you a mystery; We shall not all sleep, but we shall all be changed. In a moment, in the twinkling of an eye, at the last trump: for the trumpet shall sound, and the dead shall be raised incorruptible, and we shall be changed."

All this quotation of what is high and basic word or image and what is final and essential rhythm, in Jacobean English, would be foolish, of course, except to say: first, that we find in "The Good Earth" only a mild and surface pleasance of the biblical style; and, second, that this style from the novel is carried into the play with some success, thereby making the problem of its production all the more difficult. In addition to the biblical, there is also the constantly recurring imitation of the Chinese-classic and folk-tale effects; which, in their turn, add also to the problem. This leads us to our main question. But we will come later to the ultimate reason—which in art is always an esthetic one—why the production was a failure.

Mr. Lee Simonson's settings for "The Good Earth" were, despite the marvels of Chinese design so easily to be found, without distinction. They were sadly cursed by that notion of stone color so prevalent in our theatre when we are going to be ingenious about using the same wall or shift for more than one scene. Except for the rich, red-lighted bed on which poor O-lan died, they contributed nothing to the dramatic needs of the play. The make-ups varied, some being entirely independent of China, some, like Mr. Rains', only lacking a candle inside to be ready for Hallowe'en, some, like Madame Nazimova's, good enough. The costumes had the excuse of poverty in most cases, but where rich luxury was implied they were nothing. The Chinese tidiness about the head and the Chinese carriage, even sometimes among the poor, were shamelessly absent; common musical shows often do far better. There were signs of honest effort among the actors. None of them came to anything except Madame Nazimova as O-lan and Miss Helen Hoy as the fool child. Madame Nazimova as the plain, slave wife, though her pace was much too slow in most scenes, did convey the goodness, the homely love and the kind of mute pain or pleasure that O-lan should have: which is to say that to a significant extent, the qualities implied in the character were created. Even the chic natural to this actress appeared, however drab the woman she played. In the doorway, for example, when O-lan enters just before her death, the figure seen

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there had style and beauty, and this without doing any harm, for it elevated and simplified the scene. She alone in the company achieves any style at all.

Mr. Philip Moeller in his directing did two very hampering things. He left the movement of the scenes too slow. He either prevented or did not insist upon the right rhythm for much of the speech. To have that more or less biblical prose on hand and to say it, as the actors did, more or less naturally, as if it were everyday among us, mixed matters completely up. There was, to take a small instance, one phrase in the play that illustrated oddly this tendency toward messing up the style by trying to be more plausible or what-not. In one place O-lan speaks of not being able to "rest easily" in her grave unless, et cetera. This is an extra good, almost a malicious, instance of the point because the phrase itself is even wrong. It is not only not the solid English idiom, it is not even good grammar. To "rest easily" means you can rest without difficulty in your grave, to "rest easy" means the same as to "be easy."

To come to the ultimate grounds for the failure of this attempt at a play like "The Good Earth" set in China and with Chinese characters——

The whole trouble goes back to style. It can be simply stated, though it may be almost hopeless to overcome just now in our theatre. What our acting has arrived at is a realistic method, the attempt to portray people and actions more or less as we actually see them in the life around us, which amounts in most cases to the actors acting very little but themselves or letting the play act them. It is immediately clear, then, that such a production as this must have for its object being Chinese, as we know the Chinese.

It is quite as clear how this may bring disaster. If the actor does not seem Chinese to us, we resent it, which takes away from the play's effect. If the actor seems Chinese, we are struck with the resemblance, and the more apt his performance is to run into mere impersonation. The more he resembles and the better he impersonates (merely) a Chinaman, the more he distracts us from the play or the scene in hand. The better he is the worse he gets. If the whole company of actors were indistinguishable from Chinamen—which would never happen—the artistic plane of the event would be very low; in that case we should wisely bring in real Chinese players. Realism, thus, at the Guild, has brought us to an impasse.

In the theatre of Louis XIV these Chinese characters would wear plumes and heels, with a few characteristic or symbolic ornaments or properties—something of the famous *chinoiserie* of that epoch—exactly as that stage and its décor would deal with Red Indians from America. We should then have at least a work of art with totality of style and conviction. The alternative to this would be something like the Moscow Art Theatre, which, after many years of training and of experiment, might have found a way of translating the Chinese elements of "The Good Earth" into the terms of the Russian theatre art. That would mean finding a style for it. We might then accept it for what it is, as theatre art, and not resent it for what it is not, as China.

Whether or not "The Good Earth" is worth the trouble is not involved in the esthetic problem of the Guild's failure.

STARK YOUNG.

CORRESPONDENCE

Nobody Starves

SIR: In The New Republic of October 5 you point out that the statement that no one has starved during this depression "is simply not true," and you go on to give figures for last winter of ninety-five people suffering from starvation admitted to the public hospitals in New York City alone, of whom twenty died.

I have before me a letter from the director of social service of one of the city-owned hospitals, appealing for assistance in a situation which seems almost too poignant to reveal in print. This director, who must be nameless, writes:

> We have had, for a long time now, people coming in to us asking for food and stating that they have not eaten for several days, and it can be seen by their appearance that they are telling the truth. This week we have had four children admitted with the diagnosis of *starvation.* One, who was found eating out of a garbage can, has died since admission. Another infant of three months is about to die. The mother was feeding it sugar and water. We can give so little ourselves and, as you know, have no funds to carry families and can give only very temporary relief. This is a very urgent matter which is continually getting worse.

The letter was forwarded to Miss Mary Arnold, executive secretary of the Children's Welfare Federation, to be used in the Federation's campaign to maintain health standards for children during the strain of these hard days. The fact that seven baby health stations were closed last summer; that 10,000 fewer children were taken to free camps in 1932 than in 1931, that an increase of 1,300 maternity cases was received in the public hospitals during the first six months of this year, necessitating turning the mothers out on the eighth day after confinement, and the report of a 6-percent increase in malnutrition among school children last spring, all unite to show that the threat to the children this winter is very grave. Grace Abbott, chief of the Federal Children's Bureau, sums up their dangers when she says:

> Of course we know that those who suffer most [from unemployment] are the children of the unemployed, because the conditions are such that the period when they should have the things which they need this year will be over next year. You can't feed children skimmed milk this year and make up by feeding them cream next year. What they didn't get this year you can never make up to them.

New York City. M. D. B.

A Plurality Doesn't Elect

SIR: Mr. Joel Berrall in his letter, "Advice for the Socialists," in your issue of October 5, 1932, is in error in thinking that a plurality of electoral votes would elect a President.

In 1824 Andrew Jackson had a plurality in the electoral college but John Quincy Adams became President.

Assume that at the present election the electoral votes should be cast as Mr. Berrall suggests, namely:

Thomas	217
Hoover	175
Roosevelt	139

In that case there would be no election and, in accordance with the Constitution, the election would be made in the House of Representatives, each state having one vote, with the following result:

Hoover	26
Roosevelt	20
Blank	2

The blanks would be due to the fact that in New Hampshire and Montana the vote would be a tie.

The result would be the election of Hoover although he would have received less than one-third of the electoral votes.

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A principal reason for the pending "lame duck" amendment to the Constitution is to prevent a defeated party from naming the President in the event that no one gets a majority of the electoral votes.

Washington, D. C. ARTHUR S. BROWNE.

More about an "Amazing" Book

SIR: I can find no fault with Mr. Joseph Freeman's review of "Red Smoke" by Isaac Don Levine in The New Republic of October 19 because a reviewer, I realize, is entitled to the fullest latitude in expressing an opinion about the contents of any book. But I cannot allow to stand unchallenged your italicized note appended to the review, which states that "A letter from Dr. Beard printed on page 264 indicates that the quotation on the jacket of 'Red Smoke' was unauthorized and misleading."

In spite of Dr. Beard's letter which you print, to the contrary notwithstanding, your statement is unfair and not in accordance with the facts.

After "Red Smoke" came to us from the press, we sent, at the author's request, a limited number of copies to people who were interested in the subject of the book. Our letter accompanying these copies concluded as follows: "We should be deeply grateful for a word of comment from you after you have read the book." Since the book was already in print it was obvious that the comment we desired was not for the purpose of revision, nor for the mere pleasure of receiving a few kind words about it, but for use in publicity. It is always taken for granted, I believe, that under such circumstances the comments asked for are intended to be used in this way.

The opinion of Dr. Beard, together with the comments of Colonel House, Professor William Lyon Phelps and Professor C. K. Leith, were printed on a band two and a half inches deep, for wrapping around the jacket. It is patent that only the briefest extracts could be made from the letters received. I still feel that the quotation, "It is an amazing book" is entirely fair to Dr. Beard because his qualification to the statement is merely that he does not feel competent to pass judgment on matters of geology and the technical questions involved. We hardly expected him to judge the book from such a standpoint although we did anticipate that Professor Leith, chairman of the Department of Geology at the University of Wisconsin, would do so. Professor Leith's letter was much longer than Dr. Beard's, but the extract we quoted from it was almost as brief as that from Dr. Beard's letter.

Perhaps you will be good enough to print Dr. Beard's letter in full so that your readers may judge for themselves the rectitude of our own actions. Here it is in full:

> Thanks very much for sending me a copy of Mr. Levine's book. I have read it with great interest. It is an amazing book, but I do not feel competent to pass judgment upon its soundness, because I do not have first-hand and intimate knowledge of the Russian situation.

Our comment on the jacket band from Professor Leith's letter is as follows:

> A new and much needed approach to the Russian problem.

Since you have given relatively so much space to the review of "Red Smoke" which involves a somewhat detailed analysis of Soviet Russia's natural resources, perhaps your readers will be interested in reading the complete comments of Professor Leith, who is an authority on such matters. Here is his letter in full:

> Thank you for an advance copy of Mr. Levine's "Red Smoke," which I have read with much interest. This is a new and much needed approach to the Russian problem, particularly the use of the full text of the Five Year Plan as a source of information. As a student of raw materials, I have become convinced of the limitation of human activities by conditions of natural environment, and have presented this thesis in various publications. The tradition of the immense undeveloped resources in Russia is a strong one, like the similar tradition of the resources of eastern Asia, and presentation of the simple physical facts makes slow headway against it, as I found particularly in my discussion of eastern Asia. While I would modify Mr. Levine's statement of the mineral situation in certain particulars, his conclusion about its limitations seems to me essentially sound.

New York City. ROBERT M. MCBRIDE.

[The italicized note quoted in the first paragraph of Mr. McBride's letter was simply a summary of the letter from Dr. Beard; it was not an editorial comment. The real question at issue is whether the quotation from Dr. Beard on the jacket of "Red Smoke" is an accurate statement of his reaction to the book. Since the book is a sweeping attack on the economic policy of the Soviet Union, and since Dr. Beard is an economist and historian of the highest standing, the question is important. Dr. Beard himself has said that the quotation misrepresents him, since it ignores entirely his reservation of judgment. After reading the whole of his letter to the publisher, we agree with Dr. Beard. On the other hand, the quotation from Professor Leith seems to be a just summary of his opinion.—THE EDITORS.]

Whistling Past the Graveyard

SIR: The cheering for Mr. Hoover at Des Moines, as it came over the radio, had a quality of hysterical relief that reminded me irresistibly of my childhood. Did you ever stay alone, or just with other children—which amounted to about the same thing—in a house until late at night, while the folks were out somewhere? And did the Evil Presences which live upstairs in houses begin closing in around you, unfairly making material noises with immaterial movements? And just when you thought things couldn't be any worse, when the sane daytime world seemed the dream and terror the waking, did you hear, incredulously, welcome feet on the porch, the key in the lock?

If you have been through it, you know just how those people in Iowa sounded when Mr. Hoover promised to bring back the sunshine. And I was thinking, what a pity if 'twas burglars on the porch and not the home folks at all.

Madison, Wis. JOHN W. POWELL.

How to Save Your Vote

SIR: I am one of those who believe that the only liberal votes which will not be thrown away this fall will be those cast for Norman Thomas. There are nevertheless many who would prefer to vote for Thomas but who are afraid to do so lest they should help elect Hoover. There are others, however, who would like to vote for Thomas but who are afraid to do so lest they should elect Roosevelt. Both of these groups are likely to go to the polls with a heavy heart and vote to keep someone out rather than for their first choice. Their votes, moreover, will in large measure cancel each other.

I believe we have devised a way to enable both of these groups to do that which they really desire most of all, namely to vote for Thomas without injury to their second choice and without aid to the candidate whom they dislike most.

The method briefly is this: Will all such voters communicate briefly to the Vote Exchanges mentioned below (1) their name, (2) the state in which they live, and (3) whether they are planning to vote for Hoover or Roosevelt. We will then arrange pairs from identical states and will notify each person who his pair is. Both will then be able to vote their first choice, Thomas, without the fear of aiding some other candidate.

This seems a fruitful way of transforming wasted votes into ones that really will mean something. Will voters in the Eastern states who feel themselves in such a predicament therefore kindly communicate with Miss Mary Fox, 112 East Nineteenth Street, who will manage such a Vote Exchange in the East, and will those in the Middle West write me at 5660 Blackstone Avenue, Chicago? It would be better still if some of the readers of this journal were to start informal local exchanges, thus covering a wider area and lessening the burden of work upon the formal exchanges.

PAUL H. DOUGLAS,
Chairman, Thomas and Maurer Committee of 100,000.

Chicago, Ill.

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Rugged Skelton

The Complete Poems of John Skelton, edited by Philip Henderson. New York: E. P. Dutton and Company. 520 pages. $3.50.

THE REDISCOVERY of John Skelton in our generation ranks second only to the resurrection of John Donne and Gerard Manly Hopkins. Even at first glance his poetry seems fresh and rich in associations and is something that we can understand, for his problems, granting the distance of more than four hundred years, seem to be ours, and now is the moment to appreciate him.

A great deal of misfortune has followed in the wake of Skelton's reputation. He was rapidly obscured after his death in 1529, for it is evident that he was the sort of man who made enemies easily—and the literature of the Renaissance which rose in the latter half of the sixteenth century blotted out nearly everything that came before it. The eighteenth century would have none of him at all. Pope's epithet, "beastly Skelton," was quite enough to leave "the frosty bitten face" rotting underground. It was not until Coleridge found a word or two to say in favor of "Philip Sparrow" that Skelton's potential value was realized. But the Romantic interest in Skelton was largely antiquarian, and the Romantics soon discovered other medieval symbols more to their liking. Skelton was too harsh, too coarse-grained, too direct; he destroyed rather than reconstructed the Romantic vision of dim medieval castles crumbling on a distant plain.

At last, however, John Skelton has received a proper champion in Robert Graves, who was among the first of the younger English poets to find in him a relish to our appetites. By remembering Graves, a rough analogy may be drawn between the two poets—one, our contemporary, the other dead four hundred years ago. In both cases a war had changed the face of their respective worlds. Skelton's medieval learning with its background of clerical and classical Latin was suddenly outmoded by the Tudor victory on Bosworth field. Skelton was a staunch Latinist to the end, earning praise from the birdlike Erasmus for his courage and his skill. We all know Graves's immediate reaction to the War—his quick-witted gall, his violence and his final declaration of "Goodbye to All That." Skelton fought against oblivion on the same personal level. His satires, "Ware the Hawk," "Colin Clout," "Speak Parrot" and "Why Come Ye Not to Court," are all pamphlets against his time and against the corrupt, worldly Tudor clergy headed by Cardinal Wolsey. Violence is almost too mild a word to describe Skelton's fury.

In Skelton's anger we find the declaration of the poet's rights as an individual, a common denominator of all Romantic poetry, but here is a particular shade of difference that brings Skelton close to Graves and vice versa. In his reaction against the gross materialism of Tudor "progress" and the rise of a middle class, Skelton dismissed the alternative of retreat, of writing Latin verses. He must write (and at times contemptuously) in rugged, colloquial English speech. He must be heard, and heard he was, for his verse was written to the music of the rapid doggerel vulgate, the bastard *Carmina Burana:*

> Vis amoris
> Intus, foris
> me furoris . . .

This was enough to give him wider popularity than any other Court poet of his time and to make his immediate predecessor, Lydgate, seem heavy-footed and dull. As for his contemporaries, Barclay and Hawes, they were listed among his enemies. Folk legends sprang at Skelton's feet, as apocryphal remains like "The Merrie Tales of Skelton" will testify.

We can say with some certainty that Graves's impatience with his medium:

> Devilishly disturbed
> By this unready pen:
> For every word I write
> I scratch out nine or ten . . .

his respect for a classical tradition which is alien to the very facts of his existence, and his personal violence, are reassertions of a Skeltonic mood. Compare Skelton's:

> Our natural tongue is rude
> And hard to be ennewed
>
> I wot not where to find
> Terms to serve my mind.

Skelton's chief contributions are made in "Elinor Rumming" and "Philip Sparrow." In these his technique unrolls at top speed and his effort to find the right word, the precise adjective or noun, is nearly always successful. The words seem to be propelled by some hidden centrifugal force, starting at the very first line and gaining in velocity until we reach the central point in the poem; then in widening circles, the poem unwinds itself again and we are brought, breathless, to a full stop. Images are shot upward, rocketing into air; there are rapid transitions from King Arthur to Priam and back again:

> And of the duke Hannibal,
> That made the Romans all
> Foredread and to quake;
> How Scipion did wake
> The city of Carthage
> Which by his unmerciful rage
> He beat down to the ground . . .

In this elaboration of Catullus' familiar poem to his mistress's sparrow, Skelton compresses all of medieval learning—natural history (there is a fine passage dealing with birds), geography:

> Set in thy tail a blaze
> That all the world may gaze
> And wonder upon thee . . .
> From Ocean the great sea
> Unto the Isles of Orcady . . .

scraps of philosophy—all are contained in "Philip Sparrow." In "Elinor Rumming" the same speed is maintained and, though a narrative is suggested, the descriptive pace of the poem is so swift that the story is thrust aside as so much discarded luggage. It is a glowing tapestry of medieval life—an ale house where women exchange whatever they can beg, steal or borrow for the price of a drink:

> Some be flybitten,
> Some skewed as a kitten;
> Some with a shoe-clout
> Bind their heads about . . .
>
> Such a lewd sort
> To Elinor resort
> From tide to tide . . .

And with this weapon, a breakneck rhyme, slashing in

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all directions at once, Skelton speeds his satires. Not the least of them is the libelous attack upon a gentleman usher of the King's Chamber:

> She called you Sir Guy of Gaunt,
> Nosed like an elephaunt,
> A pickaxe or a twible
> She said how ye did bridle
> Much like a dromedary . . .

Yet this same medium Skelton found flexible enough to disclose:

> My maiden Isabel,
> Reflaring rosabel,
> The fragrant camomel; . . .
>
> The gillyflower well set,
> The proper violet. . . .

His virtuosity did not stop here but flowed into other forms with varying success. The best of his devotional poems is the somewhat spectacular, but convincing, "Woefully Arrayed." Best of his elegies is that on the death of the Duke of Northumberland. The slow-footed last line of the seven-line stanza closing in this fashion:

> He was their bulwark, their pavés, and their wall,
> Yet shamefully they slew him: that same may them
> befall. . . .

may be taken as an irregular forerunner of the climax Spenser devised for his stanza. Chances are that echoes of Skelton's poetry were heard at Elizabeth's Court. And if we remember that the "Shepheardes Calendar" appeared only fifty years after his death, the darkness surrounding Skelton's name begins to dissolve. So great was his disfavor at Court that he feared the complete loss of his masterpiece, "Philip Sparrow," but his bitterest enemies could not wipe out entirely the memory of its lively cadences.

This one-volume edition of Skelton's complete poems is the first to appear since 1843, the date of Alexander Dyce's monumental "Works." Mr. Henderson, the present editor, has contributed a scholarly and forthright introduction and has furthered Skelton's accessibility to the general reader by reproducing the poems in modern spelling.

HORACE GREGORY.

Big Novelist

The Fortress, by Hugh Walpole. New York: Doubleday, Doran and Company. $2.50.

THE MOST impressive feature of the majority of popular novels is that they are popular; a book that is widely read takes on a new value for what it discloses of the taste of its readers, the particular body of prejudice it appeals to, the particular need it satisfies. From a rudimentary survey of the more popular books of the present moment, it seems that the first, the essential qualification of a popular novelist is that he must never think of himself as a popular novelist; like Frederick the Great, whose most Machiavellian act was sincerely to denounce Machiavelli, the really popular writer nowadays must be distinguished by his respect for his art, and must have no truck with his audience at all—it is even to be desired that he should write for the few.

Other general rules are more flexible, but some are common enough to be noted; financial troubles, for example, should have no place in the fiction; the proper line on this knotty problem is to ignore it entirely. Until recently the proper attitude toward sex was also somewhat vague, but the subject has now been clarified and sexual infidelity can have a prominent place in the story, particularly if accompanied by severe spiritual convulsions on the part of those directly involved. And a rule of opposites seems to work; in a period of confusion, unrest, civil war, collective starvation and despair, the popular novel salutes the contemplative, the sheltered or the good life. If we may judge by the past, the popular novel has a better chance if laid in some far place, such as China, Virginia, Peru or the age of Victoria.

Walpole meets all these conditions and has been meeting them for years. If "The Fortress" is not among the very best selling novels of the moment it may be because there are new writers who now meet the conditions more capably. Also, Walpole reveals a serious deviation: his treatment of sex may injure his prestige, being somewhat too far to the right, too cautious in his choice of detail and too vague in his analysis of what happens. It may be unfair to emphasize the popularity of novels that have other distinctions, but Walpole's work has always been singularly free of virtues except its wide appeal. His prose is extremely bad; the phrases are awkward or commonplace; the similes are banal or confused. Consider this passage, which is by no means exceptional:

> His love for Margaret as the days went by filled itself increasingly with light and color like a glass ball that becomes with every hour more radiant. But his discontent with the sickness and starvation all around him was something fierce and hostile, dark, jagged like lightning.

The persons in the story are not sharply differentiated except by their names and by mention of obvious physical characteristics. There is little apparent direction to the narrative beyond a rough chronological sequence. "The Fortress" is the third volume of a tetralogy revolving around the Herries family, and by this time so many Herries are involved that most of the writing is devoted to keeping the various branches of the family separated. There are more than a hundred names given in the genealogical table, and keeping a hundred Herries in mind is a task in itself—reading the novel frequently gives you a feeling of trying to carry too many parcels at once, and dropping several when one is picked up.

These are formidable handicaps, and Walpole's popularity seems even more mysterious after "The Fortress." No doubt there are several reasons for it, but the curious morality embodied in his works must be a conspicuous item. It is a moral system based on a distinction between two types of people, types Walpole usually refers to as dreamers and realists. The dreamers (or poets or rogues or vagabonds) are ineffectual, reckless and irresponsible, but lovable and courageous withal, while the realists are identified with money-makers, being hard, brutal and determined, and envious, in spite of their worldly success, of their carefree cousins. The realists persecute the dreamers ceaselessly, and the dreamers go through a lot of suffering, but in the end they come out on top and are loved and respected, while the practical people suffer horribly from their own selfishness. It may be that such a view of humanity is comforting enough to many people to make up for hundreds of pages of dreary repetitions, and it should be remembered that readers make popular novels; writers have nothing to do with it.

ROBERT CANTWELL.

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A Hero of New Spain

Forgotten Frontiers: A Study of the Spanish-Indian Policy of Don Juan Bautista de Anza, Governor of New Mexico, 1777-87, by Alfred Barnaby Thomas. Norman: The University of Oklahoma Press. 420 pages. $5.

IN COLLECTING, translating and editing the hitherto undiscovered documents that make up the greater part of "Forgotten Frontiers," Professor Thomas has done more than simply complete a solid piece of historical research that may now gracefully gather dust on academic bookshelves. In the first place, he resurrects a glorious decade in the career of one of the greatest frontier figures in the history of the Americas, Don Juan Bautista de Anza, in the second place, he sets before us a record of imperialistic endeavor that reached epic proportions; and lastly he offers, to a Southwest now conscious of the meagerness of its Anglo-Saxon history, a rich, colorful and abundant Hispano-American past.

Anza will some day be known as one of Washington's great American contemporaries. He was born in Mexico in 1735 of a family of distinguished soldiers and frontiersmen. His early years of military service were marked by brilliant success, which culminated in 1775 with a daring overland expedition from Sonora up the Pacific coast to the site where San Francisco now stands. Then, as Governor of New Mexico, he fulfilled the highest expectations of his superiors by strengthening and organizing the defense of the most difficult sector of a two-thousand-mile frontier, the northern rim of New Spain. For ten years, from 1777 to 1787, he displayed a military talent, a diplomatic sagacity and a magnanimous appreciation of his Indian foes that were nothing short of extraordinary. Relieved of his command in 1787 when his health failed him, he died the following year. A definitive biography of Anza still remains to be written.

Spectacular as were his exploits during these ten years—he pacified the Comanche Indians, he established a strong Spanish-Comanche-Ute-Navajo alliance in the face of the mutual hostility of the native tribes to one another and to the Spaniards, he made numerous exploring expeditions and recorded invaluable geographical, anthropological and ethnological data—yet they are but half the story of a policy of humane conquest and assimilation which is strangely in contrast with Anglo-Saxon barbarism and the ruthless extermination of the American aborigine to which it led. Thus, Anza's victory over the Comanches was not followed by a general massacre but, strange to say, by a peace treaty established on the basis of mutual respect and confidence. Besides making ample provision for the protection and well being of their defeated enemies, these eighteenth-century *conquistadores* showed admirable tact, wisdom and generosity in their efforts to civilize the natives and to spread Spanish culture among them. Indeed, in all respects, this newly discovered agreement of 1786 is one of the most remarkable peace treaties ever concluded between the red man and his white conqueror. That the triumph which crowned a decade of heroic endeavor was so short-lived is one of the forgotten tragedies in the history of the Southwest. In a few years the whole structure of alliances that had brought peace and civilization to both red man and white crumbled under the impact of forces that finally destroyed Spain's entire American empire.

"Forgotten Frontiers" is of the first importance to all those who would understand Spanish imperialism in North America. At the same time, it deserves the careful attention of students of the American Indian, especially those interested in tribal relationships before the Yankee invasion. Then, too, since it was written and published in Oklahoma, Professor Thomas's work is significant as an effort on the part of the Southwest to discover its Spanish-Indian ancestry and assume its belated heritage.

MAURICE HALPERIN.

The Economy Racket

Washington Swindle Sheet, by William P. Helm. New York: Albert and Charles Boni. 250 pages. $2.50.

THE PLACE of the Congress of the United States in the unstable society of the 1930's awaits realistic analysis. It is regrettable, therefore, that the author of "Washington Swindle Sheet" contributes so little to an understanding of the economic and emotional bases of political action and inaction in Washington. Mr. Helm's narrative—except for a hurried survey of the costs of the presidential establishment—is based upon the reports of a single year's expenditures of the Senate and the House of Representatives. These reports, published annually with a wealth of detail unusual among public or private bodies, contain copious intimations of the trivial and local or private character of many preoccupations of Congress. But underlying reasons, and the relative importance of the questions with which Congress concerns itself, are neglected by Mr. Helm in the course of his attempt to prove the existence of widespread petty graft and waste.

The results of his investigation lack both significance and accuracy. Undeniably certain members of Congress have been guilty of nepotism, extravagance in the use of committee funds and a deficient sense of fitness. But no one well informed concerning the functioning of Congress —and Mr. Helm admits that he is not—will take seriously his statement that the "expense account of the United States Senate" is "the world's greatest swindle sheet." One could easily list the errors of fact or emphasis and the extravagant exaggerations with which the book abounds. It is, for instance, false to assert that "nothing concrete in legislation" followed the work of the Wickersham commission. It happens not to be true that "nearly all committees now go to the hinterland to conduct their investigations." In damning committee inquiries generally as "senseless congressional junkets and investigations financed by levies wrung from povety-stricken millions," Mr. Helm well states his apparent point of view toward legislative control of the executive. He fails, however, to point out that committee investigations do not universally resemble the Hamilton Fish communist hunt, which he summarizes entertainingly. In asserting that in 1931 "probably one-half" of the expenditures for committee inquiries were wasted, he neglects to add that the Teapot Dome investigation, alone and apart from the larger returns from earlier oil-lease investigations, resulted in bringing into the federal Treasury revenues ten times as large as the entire cost of all House and Senate investigations during the year 1931.

This evident hostility toward certain phases of congressional activity is less important than the flippant and slipshod failure to differentiate carefully between legitimate and questionable expenditures. If "Washington Swindle Sheet" were an isolated journalistic stunt, it would merely provide an hour's entertainment. It happens, however, to fit in nicely in tone and point of view with the determined and increasingly successful drive, ostensibly led by

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the Chamber of Commerce of the United States and its publication The Nation's Business, to discredit generally government expenditures and governmental action. This drive, which has gathered the support of a host of particular interests opposed to sundry specific measures of social legislation and economic regulation, promises to bring upon Washington next winter a lobby even more powerful and more persuasive than that which will be trying to cajole Congress into the acceptance of a general sales tax.

PAUL WEBBINK.

Book Notes

BELLES LETTRES

THE INTIMATE NOTEBOOKS OF GEORGE JEAN NATHAN. *New York: Alfred A. Knopf. 326 pages. $2.50.*

George Jean Nathan returns to the literary marketplace with a full carpetbag of spirited anecdote and sententious observation. His usual stock-in-trade is this time augmented by a lively series of barroom portraits of his scrivening friends which are among the finest products of the Nathan studios: Sinclair Lewis soaked in Pilsner delivering daffy orations in a mish-mash of *Plattdeutsch* and Main Street; Eugene O'Neill in his three-dollar-a-month "garbage flat" guzzling alcohol mixed with camphor, varnish diluted with water, wood alcohol flavored with sarsaparilla or benzine; Theodore Dreiser, serious *Saufbruder,* humorless as a Volga boatman; Ernest Boyd, habitual week-ender and bon vivant, behind the apostolic curtain of his beard; H. L. Mencken victimized by hay-fever and hæmorrhoids. The next two notebooks contain various critical opinions—warmed over cafeteria ideas decked out like country-club squabs. Orchids are thrown to O'Neill, André Obey, Pirandello, Ryskind, O'Casey, and skunk-cabbage to Shaw, J. M. Barrie, Galsworthy and William Bolitho. Nathan comments with his customary "clinical" sapience on Mae West's avoirdupois, the Theatre Guild, the British Literary Secret Service and other subjects nearest his midriff, bringing his fourth and final book of confessions to a close with a few random notes on the relation of exercise to longevity, French and American slang, and doctors.

BIOGRAPHY

ROGER WILLIAMS: New England Firebrand, by James Ernst. *New York: The Macmillan Company. 533 pages. $4.*

Mr. Ernst's book is the first satisfactory biography of Roger Williams. It is thorough, scholarly, well balanced and thoughtful and, notwithstanding a regrettable scarcity of antecedents, well written. The point of view is that of Professor Parrington, whose eulogy of Williams is perhaps the most eloquent chapter in the whole of his "Main Currents." Mr. Ernst's task was the somewhat difficult one of combining an interpretation of seventeenth-century mysticism with an account of thoroughly modern empire-building: the chapters oscillate from an analysis of the "Bloudy Tenent of a Persecution" and "George Fox Digg'd Out of His Burrow" to careful descriptions of the land system of Providence Plantations and factional struggles for administrative control of the colony. It is somewhat difficult for us to understand that combination of mysticism and hard-headedness, of civilized refinement

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and pioneering ruggedness, that Williams represented, and Mr. Ernst has not entirely succeeded in reconstructing a unified character: the chapters are monographic rather than continuous. The book is valuable in furnishing us with a well documented basis for the lofty estimate which Parrington placed on the significance of this greatest of colonial Americans.

COLONIAL AMERICANS IN EXILE, by A. G. Bradley. *New York: E. P. Dutton and Company. 288 pages. $3.75.*

The loyalists of the American Revolution are historically significant chiefly for two reasons, one concerned with American, one with Canadian, history. In the first place, the Tories represented not only that element of the colonial population loyal to the Empire, but also the conservative, wealthy and educated groups, and their wholesale withdrawal from the American scene greatly accelerated the social revolution that accompanied the War for Independence. In the second place, the loyalists not only founded British Canada but gave to its development a definite and obvious impetus of a conservative, nationalistic character. Both the American and the Canadian chapters of this story have been abundantly told by historians, but they have not as yet been brought together in a single volume. This task Mr. Bradley has undertaken, and he has made a thoroughly bad job of it. Despite animadversions at the failings of his old-fashioned predecessors, he devotes the larger part of his book to an unoriginal and uninteresting account of military history, and all but ignores the profoundly illuminating and dramatically interesting institutional history of British Canada. Wherever he touches on American history he is grotesquely inaccurate and strangely venomous, writing about Royalists from a point of view more royalist than the king's.

Fiction

THE DIAMOND LENS and Other Stories, by Fitz-James O'Brien. *With an Introduction by Gilbert Seldes. New York: William Edwin Rudge. $4.*

In his introduction to these seven stories out of America's literary past, Gilbert Seldes remarks that "O'Brien is a Poe in the minor mode"; this seems unfair to Poe and to Fitz-James O'Brien. Poe's prose manner and O'Brien's are as far apart as the poles. Poe may seem florid, but his thought and consequently his style are fundamentally precise, while O'Brien's style is fundamentally florid because the macabre ideas expressed by it are only occasionally precise and meaningful. The most effective of the stories reprinted here—with very appropriate illustrations by Ferdinand Huszti Horvath—is "What Was It?" The manner proceeds directly to its point here; the point is made with all its implied horror and the story is suddenly lifted out of the ordinary run of horror stories, by the death, in starvation, of the Thing. The gay tale of the "Dragon Fange Possessed by the Conjurer Piou-Lu," with its pseudo-oriental quips and language, concludes the volume on a note totally different from the rest of the stories, but a note that seems to correspond to what Gilbert Seldes calls the "bluff and breezy" manner of the "singularly attractive" Irishman.

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VINCENT SHEEAN, who recently returned to New York from a visit to the Libby Holman-Smith Reynolds locale, is at present working on a new novel.

JAMES C. BONBRIGHT is professor of Finance at Columbia University, a trustee of the Power Authority of New York State and a member of the New York State Commission on the Revision of the Public Service Commissions Law. He has published numerous articles on public-utility economics and has written, in collaboration with Gardiner C. Means, "The Holding Company," a volume which was published this year.

HORACE GREGORY, whose poems and criticism have appeared frequently in various journals, has published "Chelsea Rooming House," and will publish a second volume of verse under the imprint of Harcourt, Brace.

ROBERT CANTWELL, whose novel "Laugh and Lie Down" was received with more enthusiasm by the critics than it was by the general public, is at present in New York City completing his second novel, contributing book reviews to various newspapers and magazines, and writing a monthly book page for The New Outlook.

MAURICE HALPERIN, associate editor of Books Abroad, a monthly review of foreign literature, is assistant professor of Romance Languages at the University of Oklahoma.

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